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ABSTRACT

This report discusses efforts undertaken by the Southern Education Foundation's (SEF) Task Force on Education and Economic Development and summarizes case-study reports of activities at four-year, postsecondary educational institutions in the South to promote economic development. The activities of six institutions were reviewed: Jackson State University (Mississippi), Morehead State University (Kentucky), Savannah State College (Georgia), Tuskegee Institute (Alabama), Western Carolina University (North Carolina), and the Georgia Institute of Technology. The results suggest that relatively few four-year and minority institutions were actively involved in economic development, due to lack of inspired leadership, lack of administrative expertise, lack of funds, internal resistance, external resistance, reputation and image, and lack of effective models. The report recommends that the SEF bring together representatives from 10 to 12 institutions to react to the case-study reports; bring together an expanded group that includes representatives of state industrial recruitment agencies and local Chambers of Commerce; seek outside funding for demonstration projects at three institutions; commission case studies from three or four institutions outside of the South; commission a "how-to" handbook on economic development; and promote the role of post-secondary institutions in economic development. Copies of the six case study reports are appended. (MDM)

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Enhancing The Capacity Of Four-Year Postsecondary Educational Institutions To Promote Economic Development

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ENHANCING THE CAPACITY OF FOUR-YEAR POSTSECONDARY EDUCATIONAL INSTITUTIONS TO PROMOTE ECONOMIC DEVELOPMENT

Submitted by the

Task Force on Education and Economic Development

to the

Southern Education Foundation

May, 1985

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PREFACE

This report speaks to efforts undertaken by the Southern Education Foundation's Task Force on Education and Economic Development during 1984. This work arises out of an earlier task force investigation, reported on in a monograph entitled "An Expanded Role for the Southern Education Foundation in Linking Postsecondary Education and Economic Development" (1983). That report set forth a series of strategies which might be used by the Southern Education Foundation to promote activities geared toward encouraging local economic development through work at postsecondary institutions.

The first efforts, along with the current one, are part of the Southern Education Foundation's expanded role in public policy and education. The Foundation is grateful to the task force, which consists of George Autry (Chairperson), E. Walton Jones, and Robert T. Hall. We particularly appreciate the work of MDC, Inc., of Chapel Hill, North Carolina, which served as the staff to the task force. We also wish especially to acknowledge the ongoing contribution of Juanita Kreps, a member of our Public Policy Advisory Committee, who convened the task force and served as its first chairperson.

The work of the task force was supported in large part by grants from the Ford and Rockefeller foundations, which substantially supplemented SEF support. The work reported

on herein would not have been possible without this outside assistance, and we are thankful for it.

The current report provides the Southern Education Foundation with a mix of clear suggestions about further activities for involving four-year postsecondary educational institutions in economic development. We have consequently begun a series of actions to adopt some of the task force's recommendations. These will continue through 1985 and 1986. Further reports on the results of these efforts will be prepared and disseminated by the Foundation.

Elridge W. McMillan
President

Robert A. Kronley
Senior Consultant

FOREWORD

In May of 1983, America woke up to learn from the morning headlines that we are a Nation at Risk. According to the National Commission on Excellence in Education, "...the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and people." A few months later, the Education Commission of the States' Task Force on Education for Economic Growth issued its report calling on education to meet the requirements of the technological society. Since then, the reports and white papers have proliferated. Today there are more than 280 state and local commissions concerned with reforming our educational system in ways designed to enhance the growth of the economy.

While much of the general criticism is valid and the proposed actions relevant, there is also a need for reports which prescribe remedies for particular aspects of the problem. The report that follows differs from other studies of our public school system in two respects. First, this paper concerns itself with post-secondary institutions and their role in the local economy; and, second, it attempts to chart new directions rather than document what went wrong. It is an outgrowth of a task force report to the Southern Education Foundation in September, 1982, entitled "Linking Post-secondary Education and Economic Development." That report as well as this one focused on ways to foster private investment where it would not otherwise occur, thus stimulating growth, rather than on economic development in its traditional sense.

The first report suggested that institutions in the South need to define and expand their roles in economic growth and development

both for reasons of self-interest and the broader interest of the region. As the pool of students available to higher education declines, post-secondary institutions need to take additional measures to enhance their public service and research functions. There is no more glaring public need than that of dealing creatively with the economic growth and development of a region which in the past has depended on branch-plant recruiting as the major development strategy -- a strategy that exerts, in the main, only an incidental and trickle-down effect on the incomes of the Southern poor.

As chairman of the first SEF task force and chairman of the board of MDC, Inc., which prepared this report, I am pleased to present to the Foundation this report and the related case studies on specific economic development strategies of four-year undergraduate institutions, particularly minority institutions. It is especially timely, now that the nation's attention has been focused on the education and growth needs of the economy.

Juanita Kreps

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Tuskegee Institute, by Nathaniel Jackson

Western Carolina University, by Carol A. Lincoln

Georgia Institute of Technology, by Carol A. Lincoln

ENHANCING THE CAPACITY OF FOUR-YEAR, POST-SECONDARY EDUCATIONAL INSTITUTIONS TO PROMOTE ECONOMIC DEVELOPMENT

SUMMARY

This report summarizes the findings of case-study reports on economic development activities at four-year, post-secondary educational institutions in the South. The case studies were conducted in 1983 during the second phase of a project sponsored by the Southern Education Foundation (SEF) and directed by the Foundation's Task Force on Education and Economic Development.

The Task Force was created in the spring of 1982 to advise SEF on means by which post-secondary educational institutions could contribute to the economic development process. In the context of this project, the Task Force has defined economic development as: "The process of fostering private investment where it would not otherwise occur, in order to increase income, employment, and self-employment opportunities, and net tax revenues; to enhance long-term stability of the economy; to improve (or at least maintain) the local quality of life; and otherwise improve the well-being of the local population." Participation in the economic development process was viewed by the Task Force as a desirable activity for post-secondary educational institutions because of the potential benefits to the institutions as well as to the communities they serve. By helping to expand the local economic base, for example, post-secondary educational institutions are likely to find their ability to attract faculty and students significantly improved. There can also be significant payoffs from working with private businesses in terms of both contracts for services on a fee basis and philanthropic gifts to the institutions.

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In its first report to the Foundation, the Task Force identified six basic strategies utilized by various educational institutions to engender economic development. Those strategies included:

1. Employing an integrated research effort to foster economic development;
2. Participating in the formulation of public policy on economic development;
3. Providing instructional, consultative, and related services for capacity building;
4. Providing technical assistance to firms;
5. Supporting the development of industrial infrastructure; and
6. Providing labor force skill preparation.

During the second phase of the study, the Task Force focused, with one exception, on small- and medium-sized universities and colleges in the South to determine how institutions with limited research budgets and technical curricula might become involved more centrally in economic development activities. The Task Force commissioned case studies of schools with active economic development agendas or with keen interest in establishing such agendas to explore factors which had motivated the institutions' involvement and conditions which had served as barriers to involvement. Site researchers sought to determine conditions critical to successful intervention in the economic development process and examined benefits that had been derived by the schools and their communities. Five small- and medium-sized schools were included in the study, along with one larger technical university. The latter institution, recognized widely as a leader in the promotion of economic development, was included to provide insights into techniques that smaller schools might consider adopting.

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The activities of the institutions -- three traditionally white and three traditionally black -- varied widely both in scope and intensity. One school had been modestly involved with the formulation of public policy, the provision of technical assistance to firms, and labor force preparation, but had done so without the support of special funding or staff. On the opposite end of the continuum, a large technical university had mounted significant programs relating to four of the basic strategies, utilizing a multimillion-dollar budget and a staff of nearly 100 persons.

The case studies revealed that, even among the more actively involved post-secondary educational institutions, the process of promoting economic development is not clearly perceived. Typically, few administrators and faculty members have accepted the notion that post-secondary educational institutions should play significant roles in the local economic development process, for the economic and social health of either the community or the institution. Also, typically, programs have sprung up as a result of the interests of an individual administrator or faculty member rather than as a deliberate and planned institutional strategy. As a result, there are gaps and overlaps in the activities sanctioned by the case-study institutions, and we believe there are advantages to be gained by the community and the educational institutions from better integration of those activities with each other and with traditional teaching functions.

The motivation for involvement varied among the case-study institutions. Humanitarian ends were cited by three schools; two others were influenced by pragmatic concerns related to maintaining their vitality during a period of shrinking enrollments. Two traditionally

black schools viewed economic development activities as a vehicle for changing outdated images and improving their credibility and visibility in the business and political communities.

The kinds of activities the individual school was involved in and the comprehensiveness of those activities were closely related to the function of the institution itself and to the identity of its constituency. One institution, with a hundred-year tradition of outreach to the poor, was engaged in economic development activities directed primarily to specific individuals in need. Two regional universities, located in depressed rural areas, were filling leadership vacuums and engaging in projects designed to bring new types of economic activity to the surrounding regions. Two traditionally black institutions, eager to change their historic images, were targeting their activities to the community at large rather than to their traditional constituency. The larger technical university was engaged in programs tied to industrial innovation, small business development, and creation of high-technology industries.

In its earlier report to the Foundation, the Task Force suggested that as dwindling federal resources limit the activities and funding of traditional development agencies, the role of post-secondary educational institutions in the economic development process would become increasingly important. The Task Force added that public educational institutions have a special role to play in assuring that the benefits of economic development reach the disadvantaged residents of the South.

In this report, the Task Force suggests that relatively few four-year and minority post-secondary educational institutions are actively involved in economic development in the South. The case studies indicate seven reasons why many institutions have not started comprehensive programs:

1. Lack of inspired leadership -- Some administrators have not fully recognized the symbiotic relationship between education and economic development, and thus are unsure of ways to go about participating in economic development or of how their institutions would benefit from it. A common weakness is a lack of knowledge about engendering private sector support.

2. Lack of administrative expertise -- Most of the institutions included in this study have had to go outside the school to hire nonteaching professionals to manage economic development activities.

3. Lack of funds -- External financial support has usually been needed to initiate programs and establish administrative units to oversee development activities. Most often, those funds have come from federal sources and, to a lesser extent, from state government and philanthropic sources.

4. Internal resistance -- Many faculty and staff members do not assign a high priority to the economic development role of their institutions, or are not convinced that public service activities are appropriate for institutions of higher education.

5. External resistance -- Traditional economic development agencies and the local business community are sometimes apathetic or hostile to the involvement of schools in the economic development process.

6. Reputation and image -- Traditionally black schools may have to overcome both invidious stereotypes and a lack of experience in development activities which can inhibit their performance in matters relating to economic development.

7. Lack of effective models -- Most activities have been undertaken without the benefit of information on proven models, and carried out on an ad hoc basis, without benefit of integration with other institutional functions.

The report states that the most critical ingredient for success is leadership and commitment at the highest levels of academic administration. The Task Force was also concerned that post-secondary educational institutions in the South will continue to expand their involvement in economic development, though still on an ad hoc and occasional basis unless outside help can be marshaled for identifying resources and

effective program models and for training academic leaders in forging economic development linkages.

The report concludes with a series of recommendations to the Foundation regarding means of supporting an orderly, innovative, and targeted expansion of the economic development activities of post-secondary educational institutions in the South. As a first step, the report recommends a consultation with the presidents and key academic officers of ten to twelve institutions, including case-study schools, to review the findings of this study; refine the rationale for involvement; sharpen and expand the descriptions of ways in which schools can promote economic development; and develop suggestions for fostering an orderly and innovative expansion of the involvement of post-secondary educational institutions in economic development in the South. A key recommendation calls for demonstrations at three institutions as a means of solidifying and strengthening economic development activities. The specific recommendations are as follows:

Recommendation Number 1:

That the Southern Education Foundation bring together representatives from 10 to 12 post-secondary educational institutions in the South to react to and expand upon the findings of the case-study reports.

Recommendation Number 2:

That the Southern Education Foundation bring together an expanded group of representatives from post-secondary educational institutions and representatives of state industrial recruitment agencies, local Chambers of Commerce, and other economic development organizations.

Recommendation Number 3:

That the Southern Education Foundation seek outside funding to support demonstrations at three locations, involving post-secondary educational institutions as well as traditional economic development agencies.

Recommendation Number 4:

That the Southern Education Foundation commission three to four additional case studies of institutions from outside the South to expand the recorded knowledge of how post-secondary educational institutions involve themselves effectively in economic development.

Recommendation Number 5:

That the Southern Education Foundation commission the preparation of a "how-to" handbook or guide for post-secondary educational institutions seeking to become involved in economic development.

Recommendation Number 6:

That the Southern Education Foundation promote the development and discussion of ideas for expanding the participation of educational institutions in economic development on the agendas of national and other conferences.

I. INTRODUCTION

This is the second of two reports to the Southern Education Foundation (SEF) by the Foundation's Task Force on Education and Economic Development. The Task Force was created in the spring of 1982 to advise SEF on means by which post-secondary educational institutions could contribute to the economic development process in the South. The Task Force recognized that all post-secondary educational institutions support economic development through instruction which helps individual students develop the intellectual and technical skills needed to become productive workers and responsible citizens. But some institutions, acting on their research and public service missions, have gone beyond individual instruction to contribute significantly to economic development by providing knowledge and technical expertise directly to citizens, business and industry, and government.

The emergence of high-technology industries in California's Silicon Valley, North Carolina's Research Triangle, and around Boston's Route 128 has made us aware of the contributions universities can make to industrial development. But other activities conducted by post-secondary educational institutions have often been overlooked or underestimated in terms of their significance and impact on local economies and on the schools themselves.

In its first report to the Foundation, the Task Force identified numerous examples of post-secondary educational institutions that had provided technical assistance to small businesses, assisted in the preparation of regional economic development plans, participated in the formulation of economic development policy, or provided courses and seminars for economic development practitioners in state and local

government. (See An Expanded Role for the Southern Education Foundation in Linking Post-secondary Education and Economic Development, September 1982, available from the Southern Education Foundation, 811 Cypress Street, N. E., Atlanta, Georgia 30308.) Each of these activities had contributed to the local economic development process, which the Task Force has defined somewhat nontraditionally as: "The process of fostering private investment where it would not otherwise occur, in order to increase income, employment, and self-employment opportunities, and net tax revenues; to enhance long-term stability of the economy; to improve (or at least maintain) the local quality of life; and otherwise improve the well-being of the local population."

Having examined the experience of various schools across the country, the Task Force determined that six interrelated strategies were being used by post-secondary educational institutions to promote economic development:

1. Employing an integrated research effort to foster economic development -- An activity of research-oriented institutions involving the integration of research efforts around the needs and priorities of government and private economic development practitioners; usually involves creation of a special unit to oversee activities and to bring together a multidisciplinary approach to pure or applied research.

2. Participating in the formulation of public policy on economic development -- An activity which could involve institutional membership on existing advisory councils, creation of a new policy body, or support to special ad hoc advisory task forces or similar groups.

3. Providing instructional, consultative, and related services for capacity building -- An activity aimed at training economic development practitioners, institutional development, or enhancing the post-secondary educational institution's support of economic development organizations.

4. Providing technical assistance to firms -- An activity involving the provision of direct technical help to businesses to assist them in getting established, staying prosperous, or utilizing new technologies.

5. Supporting the development of industrial infrastructure -- An activity geared to the needs of new industries which intend to utilize new or emerging technologies.

6. Providing labor force skill preparation -- The most direct linkage between educational institutions and economic development, involving the training of skilled workers for expanding industries.

How these strategies were being applied by schools in the South and, more importantly, how these strategies might be employed to direct more of the benefits of economic development to the resident poor of the South became key questions for the second phase of the Task Force's work. During this phase the Task Force narrowed its focus to small- and medium-sized universities and colleges in the South whose capacities to participate in the economic development process were less understood than were the capacities of large research universities or two-year vocational technical schools.

The Task Force commissioned six case studies of schools that were pursuing or interested in pursuing economic development activities. Through the case studies, it sought to explore factors which had motivated the schools to become involved in economic development, conditions which had served as barriers to their involvement, and benefits that had been derived by the schools and their communities. Site researchers were advised to rely on the assessments provided by school personnel and others interviewed locally rather than undertaking their own evaluations of impact and success. And, in analyzing the findings of the case-study reports, the Task Force placed greater emphasis on isolating those conditions critical to successful intervention in the economic development process than on describing specific programmatic impacts.

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The institutions included in this study do not by any means constitute a scientific sample of post-secondary educational institutions in the South. They do, however, provide a balance between urban and rural settings, between traditionally white and traditionally black student bodies, and between economically healthy and depressed settings. Five of the schools are part of state university systems, and four have hundred-year histories, or thereabouts. Enrollments range from 2,100 to 11,000. (Table 1 summarizes the characteristics of the case-study institutions.)

The case-study sites were selected after consultation with eleven national organizations and five regional organizations in the South. The most promising leads[1/] -- about two dozen -- were followed up by telephone to determine the scope and intensity of their economic development activities. The final selection was made to provide geographic diversity and to include schools with varying levels of capacity and experience in economic development activity.

Five of the case-study schools conformed to the Task Force's definition of medium- and small-sized institutions (under 10,000 students):

Jackson State University, Jackson, Mississippi

Morehead State University, Morehead, Kentucky

Savannah State College, Savannah, Georgia

Tuskegee Institute, Tuskegee, Alabama

Western Carolina University, Cullowhee, North Carolina

[1/] It was particularly difficult to find examples of minority institutions that had been actively involved in economic development, despite their number in the South.

Table 1

CHARACTERISTICS OF CASE-STUDY INSTITUTIONS

Name of Institution	Geographic Location	Size of Student Body	Type of Institution	Major Programs/ Units Engaged in Economic Development	Annual Funding/Staffing of Economic Development Programs/Units
Jackson State University	City —growing economy	7,500	State-supported historically black university	None	——
Morehead State University	Rural area — economically depressed	6,300	State-supported university	a) Appalachian Development Center b) Small Business Development Center c) Martiki Land Reclamation Project	a) $250,000, 9-13 staff members b) 1-5 staff members c) $250,000 +
Savannah State College	City — slow growth area	2,100	State-supported historically black college	Small Business Development Center	$50-60,000, 2-3 staff members
Tuskegee Institute	Rural area — economically depressed	3,000	1890 land grant, private, historically black college	a) Economic Development Technical Assistance Unit b) Human Resources Development Center	a) 2-4 staff members b) Information not available
Western Carolina University	Rural area — economically depressed	7,000	Regional, state-supported university	a) Center for Improving Mountain Living (CIML) b) Western North Carolina Tomorrow	a) $700,000, 21 staff members b) 2-4 staff members (considered part of CIML)
Georgia Institute of Technology	Large metropolitan area — growing regional economy	11,000	State-supported research university	a) Economic Development Laboratory b) Advanced Technology Development Center	a) $60 million, 81 staff members b) $500,000

The Georgia Institute of Technology in Atlanta was selected as the sixth study site even though it differed significantly from the other five. Georgia Tech is a large, technically oriented school with abundant fiscal and technical resources for research and public service. A large portion of those resources (in excess of $60 million annually) has been directed toward projects and programs contributing to the economic development of Georgia. It was hoped that Georgia Tech's broad-based experiences would provide insights into techniques that could be adopted by other post-secondary educational institutions in the South, though probably on a smaller scale.

The next section of this report presents an overview of each institution's economic development programs and activities. While reviewing that section, the reader may wish to refer periodically to Table 2, page 16, which summarizes the principal activities of the schools under the six economic development strategies described above. Greater detail on each institution's activities may be found in the case-study reports appended to this report.

II. OVERVIEW OF INSTITUTIONAL ACTIVITIES

Jackson State University

Jackson State University (JSU) is a state-supported, historically black institution located in the capital of Mississippi. While Mississippi is the most rural of the contiguous 48 states and one of the poorest states in the nation, Jackson is a growing city with rising employment and personal income levels. JSU's recent designation as the Urban University for Mississippi gave it the impetus to link its teaching, research, and services to urban-oriented issues and concerns.

JSU has not played a major role in the local economic development process. Still, some community activities in which the University or individual faculty and staff members have been involved have had an effect on economic development. The University is a member of both the state and local Chambers of Commerce, and JSU's former president was the first black to serve on the local Chamber's board of directors. In that role, he became involved in the recruitment process for two national manufacturing firms which are now major industrial employers in Jackson. Other staff have served on local government advisory boards relating to community and economic improvement.

Several programs and projects initiated by JSU have helped to establish a working relationship between the school and local industry. The school's University Industrial Cluster program is designed to bring the expertise of industry into the classroom. During the 1982-83 school year, two full-time visiting professors from industry taught at JSU. The school has also taken its expertise into industrial locations to offer on-site courses for employees seeking advancement on their jobs.

Another University project provided technical assistance to an association of local businessmen in upgrading and beautifying storefronts in a nearby business section.

In the past, individual faculty and staff members have initiated studies for local government relating to employment, transportation, and environmental issues. These efforts are likely to be more formally integrated in the future under a Memorandum of Understanding recently drawn up between the City of Jackson and Jackson State. The Memorandum is designed to pave the way for greater utilization of faculty expertise in civic matters such as land use, housing, water and sewage, transportation and energy, public safety, and business and economic development. The City will also provide internships for JSU students.

Morehead State University

Morehead State University (MSU) is located in the foothills of eastern Kentucky. In 1977, the Kentucky Council on Higher Education charged MSU with developing programs to enhance the economic growth of Appalachia and to meet other needs in business, the fine arts, and selected technical areas. The Appalachian Development Center (ADC) was established soon afterwards to fulfill that mandate.

ADC's regional research program maintains indices of sociological, economic, environmental, and other data for each county in Appalachia. Those data are synthesized by ADC for development of county statistical profiles and monographs on issues affecting the vitality of Appalachia. Another of ADC's major components is its Small Business Development Center (SBDC), which provides assistance in fiscal management, investment analysis, feasibility studies, accounting systems, personnel management,

market studies, marketing strategies, and economic research to small businesses in a large multicounty region.

One of MSU's most ambitious undertakings has been its Martiki Land Reclamation Project. Managed by MSU's Department of Agriculture, the Martiki project is demonstrating how to reclaim surface-mined land for other economic uses. The 15-year-long project has already established 200 acres of fields and orchards and begun a swine gestation and breeding facility. Eventually chickens, sheep, beef cattle, and row crops will be grown on the site, and manmade lakes may be used for recreational purposes.

In addition to these activities, MSU administers a displaced homemakers' program and provides the education component for a local Job Corps program. The School of Business and Economics also administers a Small Business Institute which provides intensive counseling services to small businesses. Special projects such as a weekend-long logging show have been sponsored by MSU to promote the utilization of agricultural and logging technology.

Less formalized activities have also had a positive impact. Several faculty and staff members are active on various local policymaking bodies, and other administrators have participated in local industrial recruitment efforts. While state industrial recruiters have not targeted eastern Kentucky for industrial recruitment, MSU has helped local officials to attract businesses by furnishing facilities for meetings, providing information on the area, entertaining company officials, locating suitable industrial sites, and promising prospective companies full access to university facilities and training and research capabilities.

Savannah State College

Savannah State College (SSC) is the oldest historically black public institution of higher education in Georgia. In the past, outreach programs at SSC have been targeted to Savannah's black community, but activities involving the total community have assumed greater importance under the current administration. That has been made possible, in part, by a 1979 desegregation order which transferred the business department from nearby Armstrong State College to SSC in exchange for SSC's school of education. Just three years later, SSC established its Small Business Development Center (SBDC), which provides continuing education and consultative services to small businesses in the Savannah Area.

Savannah's SBDC is housed off-campus at the downtown offices of the Chamber of Commerce. That arrangement has helped to link SBDC and Chamber activities and to minimize apprehension on the part of potential clients about seeking help from collegiate professionals. It has also helped to establish the SBDC's credibility in the white community.

Relatively few other initiatives touching on economic development have been undertaken by SSC. The president has been an active member of several advisory committees for local development agencies and programs, and students at SSC have been employed by the city to conduct shoppers' surveys. But most faculty, staff and students have not been involved in development activities. The president hopes that will change as the college responds to a recently revised mission statement that calls for the integration of the concept of economic development into the teaching, research, and service programs of each of Savannah State's Departments.

Tuskegee Institute

Tuskegee Institute is one of the nation's best-known private institutions of higher education serving predominantly black students. Located in rural and poor southeastern Alabama, Tuskegee traces its history of outreach to minorities and the poor back to its founder, Booker T. Washington, who determined to avoid the ivory-tower isolation that affects some institutions. In 1969, the Human Resources Development Center (HRDC) was created to oversee Tuskegee's outreach programs, which since that time have expanded to include programs relating to agriculture and resource development, community education, youth services, business development, manpower training, community food and nutrition, and international affairs.

One of HRDC's newest endeavors is the Economic Development Technical Assistance Unit (EDTAU) which provides technical assistance and information to local businesses and entrepreneurs. Among other activities, EDTAU has conducted a feasibility study for an industrial park for the City of Tuskegee, and it has helped a black entrepreneur draw up plans for a multipurpose center which will include livestock facilities, a recreation center, and a farmers' cooperative. Staff at EDTAU hope to improve communication between black businesspeople and Tuskegee and to open up the local economic system to minority entreprenuers with limited capital.

A spinoff from HRDC called the South East Alabama Self-Help Association (SEASHA) works with local residents to establish self-help organizations. SEASHA has developed farm cooperatives, seed and feed stores, and a credit union. HRDC staff members provide technical assistance to SEASHA upon request.

Other activities relating to economic development have involved HRDC in the administration of a Job Corps program; the School of Architecture in the development of plans for revitalizing the commercial district and establishing a historic district in the City of Tuskegee; and the School of Veterinary Medicine in providing extension services and courses for indigent farmers.

Western Carolina University

Western Carolina University (WCU) is located in a relatively isolated and economically depressed region of North Carolina. Since 1978, plant closings have eliminated almost 4,600 jobs in the region. In 1969, an Economic Development Center was established on WCU's campus to extend the services of the university to business and community leaders throughout the region. Seven years later, the Center was renamed the Center for Improving Mountain Living (CIML) and expanded to include human resources, natural resources, economic development, international programs, and leadership development divisions.

The Economic Development Division of CIML provides technical assistance to business, industry, government, and economic development agencies in a 28-county region. Key objectives of the division are to further enterprise expansion, reduce business failures, increase the potential of nearby communities to attract industry, and encourage the development of venture capital for indigenous businesses. Staff recently helped regional planners prepare a proposal for creation of a Section 503 Small Business Administration-sponsored development corporation for a ten-county region of the State.

CIML's Leadership Division provides staff support to Western North Carolina Tomorrow (WNCT) -- a public and private leadership council

made up of representatives from 17 counties. WNCT was created in 1979 to develop leadership and encourage more citizen participation in planning for future regional growth and development. Last year, WNCT's employment committee cosponsored a buyer/supplier conference which brought together purchasing agents from firms outside the region with local businesspeople and created a Developers Association for representatives of regional planning organizations, community colleges, the state Department of Commerce, and 22 counties.

WNCT and CIML produce a variety of written materials useful to local planners, developers, and entrepreneurs. They include technical assistance pamphlets, a weekly newspaper column on business management, county statistical profiles, research reports on such issues as mineral resource development and conversion of farm lands, and an "Outlook 2000" series which provides summary data and analyses of issues pertaining to the economic and social future of the region. WCU also administers a Small Business Institute and participates actively in local industrial recruitment activities.

Georgia Institute of Technology

The Georgia Institute of Technology is one of three research universities in Georgia's public university system. Located in downtown Atlanta, Georgia Tech plays a vital role in both the state's and city's economic development strategies. The high quality of its engineering and science programs and its applied economic research and business development programs have gained Georgia Tech national recognition.

Georgia Tech's 1983 research budget exceeded $80 million. Much of that amount supported the activities of its Economic Development Laboratory (EDL), which oversees a Trade Readjustment Assistance Center,

a minority business development center, and eight field offices capable of providing technical and management assistance to public agencies and private businesses on a nonprofit basis. EDL's industrial extension division helps communities prepare for attracting industry, consults on the development of industrial parks, facilitates community self-evaluation, and publishes reports on economic issues and business opportunities; it also helps businesses replicate new technology.

In 1980, Georgia Tech received state funds to establish an Advanced Technology Development Center (ATDC) to provide low-cost "incubator" space and technical assistance to new, high-technology business firms. ATDC offers a variety of services to high-tech businesses, including access to consulting scientists and researchers, to the computer center and library, to Tech students as potential employees, and to sophisticated testing equipment.

The Center has sufficient space to house 30 to 40 budding companies. The guest companies may remain at the Center for up to three years.

About a dozen companies were operating at ATDC in the fall of 1983, and another dozen were affiliated with the Center, but located elsewhere. Both affiliated and resident companies receive help with identifying product markets; finance, management, and marketing; and evaluation of new products and ideas. Since its inception, ATDC has also cosponsored five venture capital conferences, which have been attended by more than 60 new companies and 300 financial institutions.

Two other activities are relevant to this discussion. First, Georgia Tech offers a variety of industrial extension and continuing education courses and seminars, often at plant locations, that help to keep the employed work force up-to-date technically and help workers

advance to higher-level positions in their employing companies. Second, several top-level administrators at the institution are involved periodically in industrial recruitment activities. One administrator estimated he spends about one-fourth of his time responding to direct inquiries by out-of-state industries or leads passed along to him by state industrial recruiters. He and others at Georgia Tech advise new companies on technical and scientific support available in Georgia in more specific terms than state industrial recruiters are able to do.

TABLE 2
ECONOMIC DEVELOPMENT STRATEGIES USED BY CASE-STUDY INSTITUTIONS:
PRIMARY AND SECONDARY ACTIVITIES

	Integrated Research Effort	Formulation of Public Policy	Capacity Building	Technical Assistance to Firms	Support for Infrastructure Development	Labor Force Skill Preparation	Other
Jackson State University		O		O		O	o Participates in industrial recruitment
Morehead State University	X	X	O	X	O	O	o Assists in industrial recruitment
Savannah State College				X			
Tuskegee Institute		O	O	X	X	O	o Provides extensive outreach services to poor for improvement of individual economic status
Western Carolina University	X	X	X	X		O	o Participates in industrial recruitment o Acts as a cultural magnet to new industry
Georgia Institute of Technology	X		X	X	X		o Participates in industrial recruitment o Ties curriculum to industrial development

X Designates large-scale or formalized activity
O Designates smaller-scale or less formalized activity

NOTE: Only major activities have been charted; occasional or incidential activities have not been included.

III. INVOLVEMENT: HOW AND WHY

For most of the institutions in the study, participation in the economic development process in a formal way is a relatively recent departure. Georgia Tech, for example, despite its industrial orientation, did not establish its Economic Development Laboratory until the 1960s, or its Advanced Technology Development Center until 1980. Western Carolina implemented its first significant program in 1969; Morehead, in 1977. Even Tuskegee, which boasts a hundred-year tradition of outreach relating in one way or another to economic development, did not set up a separate unit to coordinate economic development assistance until 1969. Savannah State and Jackson State are the newest to the arena, with two years' experience or less each.

A number of factors have typically influenced the decisions of institutions to become involved in economic development in a major way. Humanitarian goals motivated several of the schools. Tuskegee is the best example: Many staff members involved in economic development at the Institute view their work as a continuation of that begun by George Washington Carver when he set out in a Jesup wagon to bring education to the local farmers.

At Western Carolina, administrators noted that the institution was established to meet a regional need (for teachers), and that it has always been concerned about the development and well-being of the region. Some of the faculty at Morehead State were similarly described as "wanting to make a difference" in the quality of life in eastern Kentucky.

Administrators from at least two of the schools were motivated by fiscal concerns, believing the future of their schools depends on

the health of the regional economy. At Morehead, the obligation to serve the region was stated pragmatically in budgeting and political terms: If the region's needs are not met by the school, state funding will decline. At WCU, the need to bolster the regional economy was stated in more general terms. A growing region will attract better faculty and students to the university; a declining region will have the opposite effect. In both cases, leadership saw increased public service activity as a means of maintaining the institutions' vitality during a time of shrinking enrollments.

Savannah State and Jackson State have other motives. Both are traditionally black colleges trying to compete for students and earn recognition in a changed environment, and both see economic development activities as a means of changing their image and gaining recognition in the white business and political community.

All of the schools included in the study recognized the potential for field work opportunities that could be provided for faculty and students through involvement with local economic development efforts. Georgia Tech administrators were the most vocal about the financial payoff of working with private businesses in terms of both contracts for services on a fee basis and philanthropic gifts to the institutions. Administrators at Tech noted that contracts with private companies are often more lucrative than federal or state grants, since limitations on overhead are not so severe under private contracts.

Three of the schools were not seriously involved in economic development activities until a key administrator -- usually the president or chancellor -- provided the impetus for getting started. That was true at Georgia Tech, Morehead State, and Western Carolina, and it

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appears to be happening now at Savannah State. At Jackson State, where activities have been limited and only loosely coordinated, the former president was involved in local Chamber activities, but did not translate his personal commitment into school policy.

The availability of outside funding from such sources as the Economic Development Administration, the Small Business Administration, state legislatures, and private foundations has traditionally been associated with the start-up of these programs. Most of the funding for Georgia Tech's Advanced Technology Development Center came from the Georgia Legislature; Tuskegee's HRDC unit was established through a grant from the W. K. Kellogg Foundation; Western Carolina's CIML unit originated as an Economic Development Center with funds from the Economic Development Administration; and the bulk of funding for the SBDCs at Morehead State and Savannah State came from the Small Business Administration. Grants from private corporations have also been used by Georgia Tech and Morehead State for specific development projects. In most cases, the schools have remained dependent on outside funding to finance economic development activities.

Four of the institutions -- those most actively involved in economic development -- have created separate administrative units to oversee their economic development activities. Georgia Tech's Economic Development Laboratory was the largest such unit, with 81 staff members and a $60 million budget. Morehead State's Appalachian Development Center was the smallest unit, with a 12-member staff and a budget of $250,000. Savannah State's SBDC, which is really a program rather than an administrative unit, had only two staff members and a budget of just over $50,000. Jackson State had no nonteaching staff assigned to economic development duties, and no special funding.

Teaching faculty were involved in various economic development projects at each of the institutions, but generally not in great numbers. Western Carolina is concerned about that and has started tracking faculty involvement. In 1982, 20 faculty members and 56 student associates worked for pay or volunteered their services to WCU's Center for Improving Mountain Living. Administrators hope that number will increase once the work of a newly appointed committee is completed. The committee has been charged by the chancellor with identifying and categorizing faculty expertise that can be tapped to strengthen regional economic development strategies. Jackson State University, with only limited involvement to date in economic development activities, is the only institution in the study to have relied primarily on teaching faculty.

IV. THE NATURE OF INVOLVEMENT

The kinds of economic development in which the institutions were involved and the scope of those activities were closely related to the functions of the institutions themselves and the nature of their clientele. At Tuskegee, activities were tied to agriculture and housing and small business development, and they were targeted on the poor. Some projects had been initiated with local governmental agencies -- a feasibility study for an industrial park was developed for the City of Tuskegee, and efforts were made to provide assistance to small municipalities in preparing block-grant applications -- but the bulk of activities involved direct assistance to specific individuals in need.

The regional universities at Morehead, Kentucky, and Cullowhee, North Carolina, were engaged in projects related to regional economic development. Both were filling leadership vacuums, and providing services not only to individuals (principally technical assistance for development of small businesses), but also to local governments and economic development agencies. Both institutions were heavily involved in producing economic analyses and related information for utilization by other agencies working in economic development. Both were also involved in projects designed to bring new types of economic activity to their regions.

Georgia Tech's programs are tied to industrial innovation, small business development, and especially to the development of high-technology industries. The principal objectives of Georgia Tech's variety of services are to provide technical assistance to firms and to support

the development of industrial infrastructure. As a large research university, Georgia Tech is also deeply involved in promoting the transfer and commercialization of technical innovations. Because of its technical expertise, Georgia Tech is relied on by the state to help attract new high-technology industry.

Jackson State and Savannah State, keenly interested in changing their historic images, have not targeted their relatively limited economic development activities on their traditional constituency, but rather on the urban community at large.

It is worth noting that even at the most active institutions, officials and outside observers alike believe there are additional ways the schools could support economic development. Georgia Tech administrators admit that there are gaps as well as overlaps in the services offered by Tech's several administrative units, and they concede that there was never a "master plan" that was systematically followed to build up the Institute's service programs. To a large extent, the programs operating on Tech's campus are there because of the particular interests of one or more faculty members willing to write research proposals. Western Carolina and Morehead State appear to have given more thought to the types of programs they wished to have on campus, but even those two universities, with long-standing public service traditions, have been significantly influenced by the types of funding available, particularly from EDA, SBA, or state legislatures.

At the beginning of this study, the Task Force wondered whether strategies in addition to the six defined earlier herein might be discovered during the course of the site visits. While, in our judgment,

no new strategies were discovered, we did find several unique applications of the basic strategies. A first example involves Western Carolina University. The Task Force's first report to the Southern Education Foundation pointed out that most schools contribute to economic development simply by serving as cultural magnets, offering theater, concerts, lectures, and other events for the enrichment of the surrounding community. Usually, however, those activities are carried out as ends in themselves, rather than as part of a conscious economic development strategy. But at WCU, administrators were deliberately broadening the cultural resources of the university because of the likely effect on economic development. WCU's chancellor lobbied hard to have a state-financed regional activities complex located on the campus, for example. For similar reasons, the chancellor has also lobbied for improved roads in the region.

Morehead State has taken another approach. It has organized cultural festivals that not only highlight the rich heritage of the region, but also promote the industrial potentials of Appalachia. A recent logging show is an example. At that event, logging equipment and new procedures were demonstrated between competitive events in chain-saw cutting, chopping, and cross-cut sawing.

The manner in which some of the institutions had approached the matter of industrial recruitment was also unexpected. Morehead State, for example, was credited by an English businessman as having been the primary reason he located his business in Kentucky, rather than elsewhere. Administrators at Morehead had provided facilities for negotiating and briefing meetings, furnished information on the area;

entertained company officials, assisted in locating an industrial site, and negotiated with local officials on behalf of the company to change zoning rules and acquire land appropriate for the facility. In short, Morehead State carried out the functions a local Chamber of Commerce or state industrial recruitment office might be expected to perform.

While such tasks might, in most instances, be more appropriately performed by other agencies, in remote areas such as eastern Kentucky, educational institutions can provide a very useful service to prospective firms and the community. This type of activity could therefore be regarded as another example of providing technical assistance to private business.

V. BARRIERS TO INVOLVEMENT

This report presents numerous examples of the benefits to be gained by having post-secondary educational institutions actively involved in the economic development process. Still, the questions of how to become involved, and when, and with what resources, are not easily answered. For the case-study schools, the process of becoming involved has typically been a slow one, and one that is not yet refined or complete. A legitimate question, however, suggests itself: If the benefits to the community and to the educational institutions are as significant as this report suggests, why aren't more institutions starting up economic development programs? The case studies suggest at least seven answers to that question.

1. Lack of inspired leadership -- Some administrators have not fully recognized the symbiotic relationship between education and economic development, and thus are unsure of ways to go about participating in economic development or of how their institution would benefit from it. A common weakness is a lack of knowledge about engendering private sector support. At the study sites, a key to success was the leadership and commitment at the highest levels of academic administration.

2. Lack of administrative expertise -- Most of the institutions in this study have had to go outside the school to find the managerial expertise necessary to carry out economic development projects. Persons selected for the job need a rare combination of technical and social skills and must be able to relate well both to academicians and to the nonacademically oriented business community. Competent staff can be difficult to recruit, particularly in remote, rural, or economically depressed areas.

3. Lack of funds -- Many schools have faculty-initiated studies or class projects which relate to economic development, but to launch programs of the magnitude described in this report, external resources have usually been needed. Fund-raising and proposal writing are almost always prerequisites.

4. Internal resistance -- Many faculty and staff members do not assign a high priority to the economic development role of their institutions, or are not convinced that public service activities are appropriate for institutions of higher learning. The creation of a separate unit to oversee development activities, though administratively prudent, tends to divide faculty from staff assigned to development activities thereby perpetuating lack of interest or disapproval among faculty members. Most schools in this study have had to work at building up faculty involvement and support over time.

5. External resistance -- Traditional economic development agencies and the local business community are sometimes apathetic about or hostile to the involvement of educational institutions in the economic development process. The more successful schools have carefully carried out roles that complement the roles performed by traditional economic development agencies and sought opportunities to explain objectives in terms of mutual benefits to be gained.

6. Reputation and image -- Traditionally black schools may have to overcome both invidious stereotypes and a genuine lack of experience which can inhibit their performance in matters relating to economic development.

7. Lack of effective models -- There are few resources -- technical manuals, published reports, case studies -- for schools to draw on when initiating economic development activities. At the study sites, most development activities have been undertaken without the benefit of information on proven models; and carried out on an ad hoc basis, without benefit of integration with other institutional functions.

The related problems of identifying administrative expertise and overcoming faculty resistance were primary concerns at several of the study sites. At Western Carolina, the faculty and staff committee recently assigned the task of identifying and categorizing faculty expertise is expected to recommend means of increasing faculty involvement in regional economic development strategies. At Morehead State, faculty members who are involved in public activities are often relieved of some teaching responsibilities, and recognition is given to service functions in promotion and tenure considerations. The head of Morehead's ADC saw a continuing need to meet with faculty to explain ADC's role and to make sure faculty members understand the consequences if MSU does not involve itself in regional affairs. At Georgia Tech, grants made possible by earmarking a portion of the revenue collected from overhead on research contracts have been made to faculty members as seed money for research or activity in areas important to the state and to Georgia Tech.

VI. CONCLUSIONS AND RECOMMENDATIONS

In its first report to the Foundation, the Task Force described a number of instances in which post-secondary educational institutions, both in and beyond the South, have played important roles in economic development. Those roles have varied in depth and character depending upon local circumstances and the interests and capacities of participating educational institutions, but they have invariably benefited the institutions themselves, their students, and their communities.

As the Task Force undertook the second phase of its study, it sought to examine in more detail the present and potential capacity of Southern four-year (and especially minority) educational institutions to participate in economic development efforts. There were several reasons for taking that direction. Historically, most four-year schools and minority institutions have not been active participants in local economic development efforts. Yet, because of their widespread distribution in the South, they have the potential for helping to redirect the benefits of development to rural and economically depressed areas. These institutions must also look to ways of securing their own future as they face cutbacks in federal funds and the possibility of declining enrollments. Participation in economic development activities is one means of achieving that secure end.

It is difficult to estimate the number of four-year schools in the South (and, in particular, the number of minority institutions) that are as deeply involved in economic development as the case-study schools. The Task Force is not aware of a significant number of schools that are so involved, and it believes that other post-secondary educational

institutions should be encouraged to become involved in economic development. At a minimum, those other schools need help in identifying effective models to follow, and most of them will also need technical assistance for a number of years.

At the same time, institutions which have already had some experience with economic development activities need help in refining and expanding their expertise. In a number of instances, the case-study schools carried out their economic development activities on an ad hoc basis without benefit of integration with other institutional functions. Typically, the majority of faculty and staff members are not involved in economic development activities, and many may not even be aware of their existence. Furthermore, activities which have an impact on economic development are often thought of not as economic development projects, but rather as community service or education programs.

The case studies make it clear that a proper start is important to successful participation in the development process. In light of their limited involvement to date, four-year schools (and minority institutions) might well profit from considering the following ten key points drawn from the experiences of the case-study sites:

1. The most critical ingredient for success is leadership, commitment, and an understanding of the development process at the highest levels of the academic administration. Commitment is crucial to setting priorities and overcoming internal barriers -- especially resistance from faculty and staff members -- and an understanding of the development process is key to securing private sector support. Understanding of that sort is not difficult to secure -- it has simply not been part of the typical college administrator's experience to date.

2. A clearly defined and accepted set of objectives and an overall strategy for involvement are essential to overcoming both internal and external barriers.
3. The strategy should include plans for developing support for the institution's new role among the leadership of the community, including business and traditional economic development agencies.
4. Top-level administrators and faculty members alike must understand the relationship between economic growth and the future of the educational institution. That will help the institution set priorities and better integrate its teaching and public service functions.
5. An institution must first achieve a critical mass of skills. Reaching that point requires careful assessment of faculty and other in-house expertise and may necessitate recruiting nonteaching professional experts from the outside.
6. There are significant advantages to establishing a separate administrative unit to coordinate the bulk of the institution's development activities and provide a point of contact for the community. Such a unit can promote an interdisciplinary approach to economic development and relieve some of the pressure on teaching faculty who would otherwise be hard-pressed to assume administrative responsibilities.
7. While large sums of money are not necessarily required to initiate specific economic development activities, an external source of funding will be needed in most instances to establish an administrative unit or to inaugurage service programs such as small business counseling. Significant efforts may need to be made to raise outside funding, but, once such funding has been won, it can help establish

the credibility of the eductional institution within the business community and among traditional economic development agencies. For innovative or comprehensive programs, institutions should look beyond state and federal funding sources.

8. Tapping internal expertise will likely require the adoption of certain incentive systems to encourage faculty to devote more time to public service.
9. The institution should not underestimate the magnitude of external barriers that may frustrate its involvement in the economic development process. They may include resistance from the business community, traditional economic development agencies, and even other post-secondary educational institutions. Even where no significant community development efforts are under way, schools should not underestimate the difficulty of assuming a leadership role.
10. Minority institutions are likely to face a variety of challenges as they seek to become involved in economic development. Among those are overcoming both invidious stereotypes and a genuine lack of experience. Internal funding resources are also likely to be limited, and faculty members may require extended orientation before they accept fully such a nontraditional role for their institution.

However useful these ten points may be, they do not provide specific suggestions about means of initiating economic development activities. Economic pressures are likely to keep educational institutions and the communities they serve interested in expanding the institutions' involvement in economic development. But there are few models for educational institutions -- especially the smaller and less technically oriented ones -- to follow, and few technical advisers to provide expert advice.

In its first report the Southern Education Foundation, the Task Force expressed its concern that:

> While the benefits of improved linkages between post-secondary educational institutions and economic development efforts are apparent, no federal agency or national nonprofit corporation is prepared to help the institutions take on a more significant role in development. Moreover, traditional economic development activities in the South, including most of those in which post-secondary educational institutions have been a partner, have been aimed at raising per capita income by inducing outside industry to move into the region. This has had a trickle-down effect on the South's economy, with the most immediate benefits going to the already skilled work force in the South and to skilled workers who have moved in from the outside. A strategy for focusing the development efforts of post-secondary institutions on activities which will more directly benefit the Southern poor is sorely needed.

The lack of models and strategies for focusing development efforts to persons and areas most in need continues to be a primary concern of the Task Force. Furthermore, the Task Force worries that post-secondary educational institutions in the South will continue to regard economic development as an ad hoc and occasional agenda item unless outside help can be marshaled for identifying resources and effective program models. The Task Force, therefore, recommends that the Southern Education Foundation consider means of helping support an orderly, innovative, and targeted expansion of the role of four-year schools and minority institutions in economic development.

To that end, the Task Force suggests that the Foundation adopt a comprehensive plan of action designed to identify, encourage, and support several institutions with the potential for becoming active and valuable contributors to local economic development efforts. That plan would include activities for promoting the role of post-secondary educational institutions in economic development among educators and traditional economic development agents in the South. It is

also designed to develop leadership and commitment to economic development activities among top-level academic administrators; to produce technical assistance tools for educational institutions; and to expand the recorded knowledge of the ways in which post-secondary educational institutions involve themselves effectively in economic development. The elements of the plan are expressed as specific recommendations to the Foundation as follows:

Recommendation Number 1:

That the Southern Education Foundation bring together representatives from 10 to 12 post-secondary educational institutions in the South to react to and expand upon the findings of the case-study reports.

The primary purpose of this meeting would be to begin identifying four-year schools and minority institutions in the South interested in becoming more active participants in local economic development efforts. Institutions invited to participate would include the six in this study and four to six others. Participation should be limited to two or three representatives from each institution, preferably the president and the lead staff member for economic development or public service programming.

Discussions should center on:

(a) clarifying the reasons post-secondary educational institutions should expand their involvement in economic development;

(b) elucidating the techniques used by active institutions;

(c) sharing additional experiences and ideas not highlighted by the case studies;

(d) encouraging other institutions to get involved; and

(e) developing an outline of possible next steps, including a conference to bring together representatives of post-secondary educational institutions and traditional economic development agencies.

Participating institutions that leave the meeting with strong interest in pursuing economic development activities would be advised to establish internal planning committees to identify ways of initiating or expanding the involvement of the institution in local economic development efforts.

Recommendation Number 2:

That the Southern Education Foundation bring together an expanded group of representatives from post-secondary educational institutions and representatives of state industrial recruitment agencies, local Chambers of Commerce, and other economic development organizations.

The purposes of the meeting would be to begin discussions of ways educational agencies can supplement and complement the work of traditional development agencies and to start building relationships between the educational institutions committed to expanding their role in economic development and traditional economic development agents from their localities. Schools that have established planning committees for economic development would be invited to bring an expanded delegation to the conference. Traditional economic development agents operating in the localities of the schools would be invited as well. The conference should allow time for presentations by educators who have been active in economic development and traditional developers, and for small-group

working sessions. Conference proceedings and discussions should be documented and summarized in a written report.

Recommendation Number 3:

That the Southern Education Foundation seek outside funding to support demonstrations at three locations, involving post-secondary educational institutions as well as traditional economic development agencies.

The demonstrations would serve two purposes. First, they would assist three schools in implementing planned and organized programs. Second, they would provide additional models of effective strategies that could be replicated by other institutions. The sites would be selected to reflect different geographic and economic settings and to include institutions with varying degrees of experience in economic development. Depending upon the number of schools interested in participating in the demonstrations, a competitive process for selecting the sites might be utilized. One "special linkage" site would demonstrate how a traditionally white school with experience in economic development and a traditionally black school with limited experience might be pared to develop a cooperative economic development program. Outside funding would be required to cover operational costs at the sites, technical advisers, and project documentation.

Recommendation Number 4:

That the Southern Education Foundation commission three to four additional case studies of institutions from outside the South to expand the recorded knowledge of how post-secondary educational institutions involve themselves effectively in economic development.

A number of innovative programs have been adopted by educational institutions outside the South. Case studies of those programs, similar to the ones prepared for this report, would provide additional information on effective models.

Recommendation Number 5:

That the Southern Education Foundation commission the preparation of a "how-to" handbook or guide for post-secondary educational institutions seeking to become involved in economic development.

The guide should draw from all of the case studies, conference discussions, and early demonstration experiences; provide practical pointers on getting started; and describe alternative strategies suitable for replication.

Recommendation Number 6:

That the Southern Education Foundation promote the development and discussion of ideas for expanding the participation of educational institutions in economic development on the agendas of national and other conferences.

Such conferences might include the annual meetings of the Southern Growth Policies Board, the National Association of Counties, the National Alliance of Business, the National Governors' Association, higher education associations, and economic development agencies and associations.

A Case Study of Economic Development Activities at Jackson State University Jackson, Mississippi

by
Kenneth Weeden

I. Introduction

A. Description of Institution

Jackson State University is a state-supported, historically black institution located in the capital city of Mississippi -- Jackson. The school had its beginnings in 1877 in the city of Natchez, which is located about 100 miles southwest of Jackson, bordering the Mississippi River. The school, which started out as an institution to train blacks for the ministry, was founded by the American Home Baptist Missionary Society and was initially called the Natchez Seminary. From its initial enrollment of 20 students and a limited curriculum, today Jackson State University hosts about 7,500 students and provides an academic offering consisting of 51 Bachelor's degree programs, 34 Master's degree programs, 12 specialist programs, and one doctoral program.

After moving to the state's capital city in 1882, the institution was called Jackson State College until the 1973-74 academic year when its name was officially changed to Jackson State University (JSU).

Mississippi is the most rural of the contiguous 48 states. Jackson is the only major metropolitan area in the state and is considered by some to be the only "real" city in Mississippi. JSU occupies about 120 acres of land just minutes from the downtown area. In 1979, the Board of Trustees, State Institutions of Higher Learning, designated Jackson State University as the Urban University for the state of Mississippi. This designation gave the University the impetus to link its teaching, research,

and services to urban-oriented issues and concerns. Because of its location, in the largest city as well as the capital city of the state, the Urban University designation seems quite appropriate.

B. Geographic Setting

The City of Jackson, located near Mississippi's geographic center, is also the "center" of the state in other important ways. As the state capital, it is the seat of politics for the state; as the largest metropolitan area, it contains the highest concentration of employment, providing a strong attraction for rural job seekers; with its seven senior colleges, two junior colleges, medical school, dental school, law school and four seminaries, the Jackson metropolitan area has the highest concentration of educational facilities anywhere in Mississippi; and the Jackson trade area reaches far beyond the three-county metropolitan area, with residents of 28 surrounding counties (about 34% of the state's 82 counties) regularly conducting varying degrees of trade in Jackson. Without question, Jackson is Mississippi's most important city.

The City of Jackson itself is located in Hinds County, while the metropolitan area spills substantially over into adjoining Madison and Rankin Counties. The area population grew substantially between 1970 and 1980. The city population grew by 31.8% from 153,968 to 202,895, while the metro area population grew by 23.7% -- from 258,906 to 320,425. By comparison with several other southern cities of similar size, Jackson experienced relatively rapid growth during the period. Cities such as Mobile, Alabama; Little Rock, Arkansas; Knoxville, Tennessee; and Nashville, Tennessee; all grew at a slower rate than did Jackson.

Jackson's employment base also continued to grow significantly during the 10-year census period. Between 1975 and 1980, the metro area employment grew at a faster rate than both Mississippi's and the nation's. The retail trade and government sectors (respectively) are the area's largest employers with manufacturing accounting for only 12% of the non-agricultural wage and salaried employees.

While Mississippi struggles to overcome an image of being one of the poorest states in the nation, personal income grew in the Jackson metro area between 1975 and 1980 at a faster rate than the state's and nation's. Its per capita income as of the 1980 census is 90% of the national per capita and 131% of the state's. 1980 census information also indicated that 18.9% of Jackson's families had incomes below the poverty level.

This statistical overview of Jackson provides a portrait of the setting for Jackson State University -- i.e., a growing metropolitan area in a predominantly rural state with sufficient resources to provide many potential opportunities for the school's involvement in economic development.

II. Involvement in Economic Development Activities: An Overview

A. Nature of Economic Development Activity

One of Jackson State's missions, in addition to fulfilling its educational role, has been a long-time commitment to helping find solutions to community related problems. Economic development per se has not historically received a great deal of attention in the flow of the University's outreach efforts. Some community activities in which the University or individual faculty or staff have been involved have had some effect upon economic development, however.

The University is a member of both the state and local Chambers of Commerce, with three (3) representatives serving on the boards of these organizations. Dr. John Peoples, President of Jackson State, was the first black to serve on the Jackson Chamber of Commerce Board of Directors and was actively involved in its industrial recruitment process. Dr. Peoples was an active participant in preliminary discussions which led to the location of Packard-GM, a division of General Motors, and Allis-Chalmers to Jackson. Both are now major industrial employers in Jackson.

Jackson State regularly offers on-site courses at industry locations. For example, University faculty members have taught courses to Packard-GM employees in such areas as machinery and industrial management. These courses are designed to help employees improve their skills, thus enabling them to move up the career ladder. This upward movement creates additional opportunities at the lower rung of the ladder.

John R. Lynch Street, which provides the main approach to Jackson State from the nearby downtown area, is characterized by a number of marginal to substandard dwellings and mostly minority-owned businesses. Jackson State initiated a program with an association of John R. Lynch Street businessmen to provide technical assistance in upgrading and beautifying the storefronts and thereby improving the business image.

High ranking staff members from Jackson State have served on local government advisory boards relating to community and economic improvement. This has included programs sponsored by the former CETA legislation, the HUD Community Development Block Grant program, and the City's Historic Commission.

The school's University Industrial Cluster program is an active project designed to bring the expertise of local, state, and national industry into the classroom.

During the 1982-83 academic year, two full-time visiting professors -- one each from IBM and Bell-Laboratories -- taught courses at JSU. The University appears to have a good relationship with the industrial community.

Jackson State's involvement with the industrial and civic sectors of the community has also led to the conducting of a number of studies in manpower, transportation, and environmental issues such as water quality. However, most of the previous efforts were initiated by individual faculty and staff members and have not been recognized as projects sponsored by the University itself. Many previous, and seemingly unrelated efforts, however, may have laid the important groundwork for the establishment of a new working structure between the University and the City of Jackson. In late 1982, discussions between the City and University administrators led to a meeting in which Jackson State had the opportunity to present itself in an unusual forum with city officials and department heads. In a series of small group sessions, the University presented its capacity to assist the city and/or work mutually on a number of issues. These included land use, housing, water and sewage, transportation and energy, public safety, and business and economic development. The meeting resulted in a Memorandum of Understanding between the City and the University which outlines certain services the University could perform for the City and how the City might provide internships for students. Again, economic development did not receive any particular emphasis. However, this relationship could become the foundation or catalyst for the implementation of several of the economic development strategies identified by the Task Force on Education and Economic Development to the Southern Education Foundation. (See report

titled, An Expanded Role for the Southern Education Foundation in Linking Postsecondary Education and Economic Development.) Recognizable opportunities exist for the implementation of the following strategies:

1. Employing an integrated research effort to foster economic development;
2. Participating in the formulation of public policy on economic development;
3. Providing technical assistance to firms; and
4. Providing labor force skill preparation.

B. Structure for Coordinating Activity

The Memorandum of Understanding between Jackson State and the City of Jackson, and the University's favorable relationship with local industry and organizations like the Chamber of Commerce, combined with its advisory representation on boards affecting jobs training and community development, appear to put the school in an unusually good position to participate in the economic development process. However, no single definitive structure for coordinating these various community involvement efforts was apparent. There did not appear to be any uniform follow-up to the meetings held in December with the City. Individual faculty and staff members from JSU will follow-up on their own with appropriate city department representatives. Although there did not appear to be any single coordinative unit for the various community involvement activities relating to economic development, the University's Office of Academic Affairs probably comes closest to filling this role. Currently, various departments are involved in community activities such as the Political Science department through its graduate program in Public Policy and Administration. Several students have served as interns to local government agencies. The University's Center for Urban

Affairs, in addition to offering several degree programs in urban-oriented subjects, conducts a community outreach program.

If a number of the University's board representations and other community involvements efforts were coordinated under some singular structure, its impact upon economic development and other community processes could be intensified.

C. Funding

Jackson State, as stated previously, has the potential for greatly increasing its role and involvement in the local economic development process. Either one or four (4) of the SEF Task Force strategies could be implemented. It should be noted that the absence of an observable coordinative structure for various community involvement activities is not simply the result of uncoordinated decisions on the part of the school. University officials expressed a strong desire for coordinated efforts in the community -- even to the point of having full-time University employees involved solely in community liaison efforts. However, the main obstacle has been -- and remains -- lack of adequate funds. Current resources are not adequate enough to allow professors or other staff to exchange time away from the classroom or other University responsibilities for full-time community involvement efforts. The Vice-President for Academic Affairs stated that the University does invest a substantial amount of time and funds into community efforts through existing personnel. However, since the school would like to have full-time liaison personnel involved with community development related affairs, some initial funding would be necessary. This type of funding, whether from the University or City sources, has not been available.

D. Relationship of Economic Development Activities to Other University Activities

Since Jackson State has had no strong historical focus on economic development as a separate and distinct effort from other community development efforts, it is difficult to separate economic development from general community involvement. Some activities, such as the teaching of courses at industrial sites, are linked with the educational/teaching function, while assistance to the John R. Lynch Street minority businessmen was part of a general community outreach effort. Also, the University's representation on various advisory boards by faculty and staff provided important but indirect ties to specific programs or activities, some of which were sponsored by the University.

E. Relationship to Other Community Economic Development Efforts

Although the City of Jackson and its metro area has experienced increasing success in attempts to expand its industrial employment base, employment in the state capital area is still dominated by government services. Jackson State University itself, with a 546-member faculty and 600 other staff and support personnel, has an annual payroll of over 20 million dollars, making the institution one of the largest employers in the city. Local economic development efforts, spearheaded by the Jackson Chamber of Commerce, have been aimed at increasing employment in manufacturing and in the non-governmental services sector. Jackson, like many other cities in the United States and particularly Sunbelt cities, is also focusing attention on attracting high-technology industries to the city. However, the Director of Economic Development for the Chamber of Commerce pointed out that Mississippi, including Jackson, has had difficulty attracting high-tech industries because of "undeveloped" educational

opportunities. He asserted that the opportunities and potential were there, but that their underdevelopment was a problem which extends down into the secondary school levels.

Other than a University representative serving on the Chamber's Board of Directors in an advisory capacity, JSU has had little involvement with overall economic development efforts. However, through more specialized teaching of classes like those taught at Packard-GM, and with a particular focus on high technology, the University could handily implement the third and sixth of the identified SEF economic development strategies; i.e.,

(a) providing instructional, consultative, and related services for capacity-building, and

(b) providing labor force skill preparation.

This level of involvement could enhance the Chamber's recruitment efforts and give JSU a larger role in overall economic development efforts. Also, by working with local employment and training agencies such as those sponsored by the soon-to-be-implemented Job Training Partnership Act (JTPA), more economically disadvantaged persons could have access to University services.

F. Relationship to State Economic Development Efforts

From the standpoint of industrial development, Mississippi's recruitment efforts are aimed at "anything that will create jobs," according to a Chamber of Commerce representative. "There are still a lot of poor counties out there," he added. The State of Mississippi assumes responsibility for recruiting industry for all of its 82 counties. At the state level, most of the base data research for economic development, including industrial development, is conducted by the Mississippi Research and Development Center, which is located in Jackson. The Research and

Development Center (or R&D Center as it is called in the state) was created by the state legislature in 1964 and operates under the jurisdiction of the Board of Trustees of State Institutions of Higher Learning. The R&D Center is provided guidance in the planning of its programs by the Mississippi R&D Council, with the state's Governor serving as Council Chairman. The Governor also appoints a majority of Council members. The R&D Center employs a specialized staff of 130 persons with wide-ranging expertise in economic development. The Center employs specialists in economics, statistics, finance, management, marketing, engineering, city planning, computer programming, accounting, and other related areas.

The Business Services division, one of four (4) divisions at the Center, operates a Small Business Development Center providing technical assistance to small businesses throughout the whole state. Business development assistance, financial packaging, feasibility studies, and conducting seminars are part of the business center's programs.

Often, prior to setting up new programs to provide additional services, the R&D Center consults with representatives of the state's four major universities: The University of Mississippi, Mississippi State University, University of Southern Mississippi, and Jackson State University. Also, occasionally the universities are called upon to provide some special service or particular expertise. Jackson State staff personnel has served in advisory roles to several of the R&D Center's projects.

Perhaps Jackson State University's best potential for relating its community economic development efforts to statewide efforts would be through some type of coordinative relationship with the Mississippi Research and Development Center.

III. Rationale for Institutional Involvement in the Economic Development Process

A. Initial Involvement

It is difficult to assess when Jackson State became involved in economic development activities, since there have been no long-term concentrated efforts in this area. However, fccusing on the Memorandum of Understanding with the City of Jackson as the main potential springboard for more intensified involvement, it can be noted that this impetus originated with the University. The general meeting and small group "interest-alike" meetings, as noted earlier, gave Jackson State a forum whereby it could display its various research and technical assistance capability to help address community needs.

B. How Does the School See its Role in Local Economic Development Activities?

Jackson State appears to be moving toward establishing a stronger emphasis on economic development activities in the community. However, as alluded to earlier, the desire to have full-time personnel engaged in community liaison activities has not been matched with funding. A representative of the graduate degree program in Public Policy and Administration stated that a number of his students, particularly those from the more rural, underdeveloped counties like those in the Delta region of the state, are very interested in economic development for their home areas. However, the mechanisms do not currently exist to provide hands-on experience to students nor the opportunity for the students to provide technical assistance through internships, etc. According to this one University representative, a Small Business Development Institute or Small Business Development Center could be very effective in fulfilling both of the above-described needs. But,

again, identification of adequate funding sources is a considerable obstacle. Consideration must also be given to the necessity (in most cases) to avoid duplication of services provided by the R&D Center. JSU could, however, quite feasibly provide some of the same services provided at the R&D Center, but to a targeted clientele -- low-income minority businessmen, for example.

Jackson State University does not project itself as having a definite role under the Job Training Partnership Act (JTPA). Programs to be developed under this legislation will have a heavy "private sector placement" emphasis. According to the director of the Capital Area Employment and Training Consortium, which will be responsible for implementing JTPA for the Jackson Service Delivery Area (SDA), at least one member of the new Private Industry Council (PIC) will be from Jackson State. Also, RFPs for training and placement services will be submitted to JSU as to other potential vendors. With the emphasis on private sector placement after appropriate training, JSU may have difficulty competing against more technically oriented skills training providers such as Hinds Junior College. Hinds Junior College is located in Jackson and provided most of the area's skills training under CETA and is expected to continue its dominant training role under JTPA.

C. The Institution's Motives for Being Involved and/or Increasing its Involvement in Economic Development Activities

Jackson State is interested in increasing its community involvement activities in general, and in economic development in particular. The reasons are varied. Perhaps the major reason relates to the image and perceived credibility of the University. The school already enjoys some

fairly good private sector contacts through the industrial cluster program and through advisory board representation. It also appears to have a generally good relationship with the local government. For a long time, however, Jackson State appears to have been regarded as simply a "black" institution whose purpose was to train blacks and which just happened to be located in the state capital. The first non-black faculty member was not appointed until the 1967-68 academic year. However, within the past 15 years, a number of new programs have been developed, significant numbers of non-black faculty have been appointed, new physical facilities have been constructed and the general perception of the University has changed. Now Jackson State is spoken of as one of the "Big Four" universities in Mississippi in the same breath as Ole Miss (University of Mississippi), Mississippi State, and the University of Southern Mississippi. When one considers this new and growing perception, the designation of the "Urban University" for Mississippi becomes quite significant. Therefore, the school's motive for increasing its overall community involvement is, at least partially, related to helping to further a positive change in its image. Concerning the meetings with city officials which led to the pledge of cooperation contained in the Memorandum of Understanding, the Vice-President for Academic Affairs stated that the school benefitted from increased visibility and increased credibility. The small-group sessions, which included presentations by JSU faculty and staff, were regarded as a collective "capability statement" of what the University can do.

Another primary motivation for community involvement is the prospect of obtaining research and development contracts. Fees from such contracts would help provide funds needed for more intensive community involvement.

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D. Benefits to the Community

Jackson State's involvement in various community activities has, over the years, had a significant general effect on the overall community. For example, a substantial number of the Jackson area labor force is composed of JSU graduates. Recipients of other kinds of training services, such as on-site industrial courses, have also benefitted. However, as far as specific economic development efforts are concerned, perhaps the most direct beneficiaries were the businessmen along Lynch Street, who received technical assistance in upgrading their storefronts.

Other than by means of fulfilling its education and training mission, there did not appear to be any projects for directing benefits specifically to the economically disadvantaged population.

IV. Community and State Attitude Toward Role of Institution in Economic Development

A. View of Significant Planning Agencies

Conversations with representatives of the Mississippi Research and Development Center, the City Development Department, and the Jackson Chamber of Commerce resulted in one conclusion: These agencies would like to see JSU get more involved in the local economic development process. All expressed an appreciation for the school's general community involvement, and wanted it to continue. The Chamber of Commerce Director of Economic Development said that he thought JSU's best role in economic development could be through doing research in economic issues and by providing "hands-on" assistance to small businesses. Another role could be the use of professors and graduate students to back up the Chamber's limited research staff. Continuing education to train persons already employed was another role suggested by the Chamber.

The Director of the City Development Department, who was instrumental in establishing the joint meeting between JSU and the City, expressed similar views as to what the University could be doing in support of economic development. He stated that Jackson has the best potential of anywhere in Mississippi to develop high-technology industries. The needed training capability could be developed, at least in part, at JSU. The University, he added, could also help the City by providing specific socio-economic analytical studies and by expanding its internship program.

Similar community and economic support roles for JSU were mentioned by the Assistant Director of the state Research and Development Center. However, he added a comment which almost sums up the current status of JSU's community involvement, noting that most agencies want to see the school as being "committed to public services, but no one seems to give them the money to do it." Funding, particularly in relation to direct economic development initiatives, is a very present obstacle.

B. View of Local Government Officials

A black member of the Hinds County Board of Supervisors expressed the idea that JSU could exert an impact on the economic development process by providing analytical information based on community surveys. This information, along with position papers and other rationalizations, would be very helpful in local policy development affecting economic development. Again, no potential funding support for such activities was mentioned.

V. Conclusion

The impact of Jackson State's community involvement activities -- including those related to economic development -- is not, nor has it been, as

great as its potential. Historically, the school's direct involvement in the economic development process has been limited. Consequently, the impact of these limited efforts upon the school itself, the community, other agencies, and particularly upon the economically disadvantaged has also been limited.

However, things are changing. Almost all of the right "connections" appear to be falling into place after years of intentional or unintentional massaging. Notice these favorable conditions:

-- good contacts and relationship with private industry;

-- upcoming representation on the PIC for the Jackson Service Delivery Area under JTPA;

-- good relationship with development-oriented agencies, such as the Chamber of Commerce and the Mississippi Research and Development Center;

-- designation as the state's "Urban" University;

-- possible favorable local and state political ties (one of two black county supervisors is a JSU graduate, and one of Mississippi's two black state senators is on JSU's faculty); and

-- Cooperative Agreement with the City of Jackson.

Along with the above listed conditions is what appears to be a "receptive" community: i.e., agencies seem to want to see JSU involved more in the economic development process. In some ways it now seems that the ball is in JSU's court as far as economic development involvement is concerned.

However, in order to forge the alliances and necessary working partnerships, a major motivating thrust -- money -- must come from the "outside." Adequate funding, either through grants (demonstration or others) or contract fees for research or consulting would afford the school the resources in terms of time and personnel to devote more attention to local

economic development activities. The potential also exists, through stronger relationships with community-based organizations such as Community Action Agencies, for the University to help direct some of the benefits of economic development to the economically disadvantaged.

JSU possesses good potential for affecting economic development in this area. Outside funding, however, appears to be the key necessary to unlock this potential.

List of Persons Interviewed

Dr. Curtis Baham	Assistant Vice President for Academic Affairs, Jackson State University
Robert Daley	Assistant Director, Mississippi R&D Center
Dr. Alterateen Harrison	JSU faculty
Dr. S. D. James	JSU faculty
Virginia Jenkins	Assistant Director, Capital Area Employment and Training Consortium, Jackson, Mississippi
Dr. John A. Peoples	President, Jackson State University
James Powell	Director of Economic Development, Jackson Chamber of Commerce
Lewis Slater	Director, Manager, Governmental Relations, Jackson Chamber of Commerce
Dr. Estus Smith	Vice-President, Academic Affairs, Jackson State University
George Smith	District Supervisor, Hinds County, Mississippi
Dr. Robert H. Smith	Dean, School of Liberal Studies, Jackson State University
Tommy Stingley	Director, Capital Area Employment and Training Consortium, Jackson, Mississippi
Bennie Thompson	District Supervisor, Hinds County, Mississippi
Ronald Workman	Administrator, City Economic and Industrial Development, Jackson, Mississippi

A Case Study of Economic Development Activities at Morehead State University Morehead, Kentucky

by
Linda Shipley Jacobs

I. Introduction

Nestled in the foothills of Eastern Kentucky, Morehead State University (MSU) was founded in 1922 as a teacher's college. The University has expanded in both purpose and size to serve more than 6,300 students (2% black, 51% female) through six schools -- Applied Sciences and Technology, Business and Economics, Education, Humanities, Sciences and Mathematics, and Social Sciences. Thirty-three associate degrees and 61 bachelor's degrees are offered at the undergraduate level; preprofessional work is available in ten areas; two one-year certificate programs are offered; and graduate programs include a fifth-year program, 27 Master's degrees, and participation in the joint doctoral program in education and engineering programs with the University of Kentucky. At the beginning of the 1982-83 school year, there were 288 full-time and 70 part-time faculty offering nearly 150 areas of study at the associate, bachelor's, and graduate levels. The University operates under a 10-member Board of Regents with eight citizens appointed by the Governor and two seats held by elected faculty and student representatives. The current President took office in 1977 and has been with MSU for 21 years.

While the focus of the University has expanded significantly over the past 60 years, over 80% of its students are still from Kentucky's Appalachian counties. Although the Business school is the fastest growing school on campus, nearly half of the students still go into teacher's education. Most of the students need financial assistance and plan to work in the surrounding counties. These counties are poor, the terrain is rough,

and the employment opportunities are limited primarily to agriculture, lumber, coal, and support services. From 1950 to 1970 the population of the 49 Eastern Kentucky counties fell by 17.8 percent. This trend reversed in the first six years of the 70's, when the region grew by 11.8 percent. This growth is attributed to the revitalization of the coal industry and the cumulative effects of the numerous governmental programs designed to stimulate growth in the region. Projections are for 12.75 percent population growth in the 1980's and 28.7 percent in the last two decades of this century.

MSU is the only state university located in the Kentucky mountains. While there are other local organizations which are committed to promoting economic development (e.g., the Area Development Districts, MACED, Kentucky Highlands), none has the extensive resources which are available through the MSU faculty and facilities. The Kentucky Council on Higher Education acknowledged this potential in its charge to MSU "to develop programs to enhance the economic growth in Appalachia and meet the needs in business, fine arts, and selected technical areas." MSU is to "provide applied research, service, and continuing education programs directly related to the needs" of Eastern Kentucky. The Appalachian Development Center (ADC) was established as the means for MSU to fulfill this mandate.

II. Overview of MSU Economic Development Activities

A. Nature of Activity

In October of 1977, MSU established the ADC as the "major regional service arm" of the University. The ADC has four major program areas: business development; regional research; community services; and Appalachian

studies. Through these programs, the ADC applies to some degree each of the six strategies described by the Task Force on Education and Economic Development to the Southern Education Foundation in its 1982 report titled An Expanded Role for the Southern Education Foundation in Linking Post-secondary Education and Economic Development. Examples of ADC's services are described below.

1. Integrated Research Effort to Foster Economic Development. The ADC's regional research program maintains sociological, economic, environmental and other data for each county in Appalachia. ADC has computer access to the economic information systems of state and federal agencies and other universities. Staff provides assistance to data users, conducts research, and collects and analyzes data for Appalachia businesses, governmental agencies, and other organizations. ADC distributes regional information through a monograph series of scholarly works concerned with environmental, economic, educational, and social issues affecting Appalachia. It also disseminates statistical profiles of counties and Small Business Institute case studies on problems and recommendations for small businesses in the region. ADC staff members, as well as faculty from several departments, prepare the wide range of data and analyses available through ADC.

ADC is also involved in applied research. The primary example of this activity is MSU's collaboration with the Martiki Coal Corporation, a subsidiary of MAPCO, Inc., to demonstrate how to reclaim surface-mined land. Martiki had been encouraged by positive experiences with ADC's coal production films to undertake a 15-year project which will ultimately reclaim 4,000 acres of surface-mined land. Recently, Pocahontas Land Corporation, a subsidiary of Norfolk Southern Corporation, has joined as a partner in the complex. Two hundred acres are already in fields and

orchards, a swine gestation and breeding building is nearly completed, a chicken house is planned, a flock of sheep will be raised, and a herd of beef cattle will be brought in. The swine manure will be dissolved and used as liquid fertilizer. Plans exist for a horticulture complex and row crops such as corn and soybeans. The project will demonstrate the proper methods for handling and reclaiming strip-mined land as well as the latest technology for a range of agribusiness activities. The director of the Martiki mining operations has an even broader vision of the project's potential. He views it as a future recreational center for Eastern Kentucky and as a major attraction for economic development. Kentucky Utilities has planned building on the project site. Martiki spent around $250,000 during the first year of the project for construction and operation of the complex. Martiki-Pocahontas plans to spend two million dollars through 1985. MSU's Department of Agriculture is planning and managing the entire project. Martiki selected MSU as its partner because it needed its expertise in reclamation and it wanted to work with a university which was familiar with the region.

2. Participating in the Formulation of Public Policy. MSU faculty and staff are members of various policymaking bodies. For example, the President was a member of ARC. The Vice President for University and Regional Services is a member of the county development commission and the board of the local Area Development District. MSU has established Ad Hoc Advisory task forces such as the group comprised of university and coal company officials which was created to advise on the Martiki project and councils to advise on MSU's CETA programs. The reports in the monograph series published by ADC also form the basis for discussion of major issues

affecting Eastern Kentucky (e.g., "The Impact of Federal Regulations on the Small Coal Mine in Appalachia," and "Property Tax Efforts in Eastern Kentucky Counties: Implications for Financing Public Services").

3. Providing Instructional, Consultative, and Related Services for Capacity Building. Courses related to economic development are available primarily through the Department of Business and Economics (e.g., accounting, economics, finance). The most direct example is the school's Small Business Institute (SBI). The program is sponsored by SBA and provides small businesses with a range of counseling services under faculty guidance. The services are provided by 15 to 20 MBA students who receive academic credit for their work with four or five businesses per semester. The Small Business Development Center (SBDC) of the ADC refers clients to the SBI for extensive analyses, and SBI refers businesses to SBDC for services it cannot provide.

The ADC also shares data with and is available to staff of local planning agencies for consultation in such areas as proposal development; conducting research on economic, environmental, and sociological problems; determining labor availability; preparing land utilization guides; conducting community resource inventories; planning industrial development; and assessing area housing conditions. Also, ADC has sponsored workshops for professionals such as the recent workshop on "Community Revitalization: Efforts Toward Increasing Economic Strength." Plans are being made for MSU to cosponsor a conference with ARC this fall on trends in rural economic development.

4. Providing Technical Assistance to Firms. A primary function of the ADC is to assist business through its SBDC. Assistance is available in the form of fiscal management, investment analysis, feasibility studies,

cash management, accounting systems, personnel management, market studies, marketing strategies, and economic research. Although the SBDC is less than one year old, ADC has been involved in related activities for several years.

The SBDC is currently staffed by only one individual who is responsible for providing "personalized" business consulting services to small businesses in 28 Eastern Kentucky counties. Three or four additional staff will be hired soon for ADC's Business Development program, which will offer similar services to all 49 Appalachian Kentucky counties. In addition the SBDC director may call on faculty members for specialized assistance requests.

SBDC's director has to limit his personal time with a client to 12 hours so he can serve the number of clients required to meet program goals (78 clients, 6 seminars for first year). This limitation is particularly difficult in the mountains, where the director frequently has to travel 3 hours each way to meet with a client. Special requests requiring the expertise of faculty are free if the assistance can be worked into a classroom project; if overtime hours are required, usually the professor is hired as a consultant. The financial management training seminars are taught by MSU faculty and tailored to needs of industry and commerce in Eastern Kentucky.

The SBI described in (3.) above is a second example of MSU's capacity to provide technical assistance to business.

Three area employers were interviewed during the site visit. Each described essential services he had received through ADC. One received assistance in developing his initial business plan for his sawmill and lumber supplies firm. MSU also designed his company logo. The second employer was already well-established in the lumber business. MSU

introduced him to kiln-drying so that he could make a greater profit by shipping a further processed product to more market areas (including foreign markets). His firm has also benefitted from the University's seminars in marketing, exporting, uses of wood waste, and short courses in lumber grading. The third employer made it clear that MSU was critical to his decision to locate his mining equipment parts plant in Morehead. This English firm was recruited by eight states (sixteen communities in Kentucky alone). While access to the market was an important factor in the location decision, the company director made it clear that MSU's assistance and cooperation had made it possible to select Morehead over several sites with desirable locations. MSU provided facilities for meetings, provided information on the area, entertained company officials, assisted in locating a site and negotiated with local officials for acquisition of land appropriate to the firm. In addition MSU has promised future use of the University's facilities, training, and research on product development. The company was impressed with the degree of support they received and the efficiency with which the University operated.

A University official and a local planning official stressed that the eastern counties are not targets of the state's industrial recruitment efforts. Therefore, local officials need to do their own recruiting and to show state officials that they will impress any recruits they get a chance to work with.

5. Supporting the Development of Industrial Infrastructure. MSU has conducted and has plans to run numerous projects to develop agricultural and lumber industry technology. The projects planned for the Martiki site are a few examples of the development of agricultural technology. Area farmers will receive instruction on the Martiki site. Innovations in the

logging industry are also shared with area businesses either directly or through events such as the Kentucky Logging Show to be cosponsored by MSU and the Kentucky Forest Industries Association (KFIA) this fall. Logging equipment and new procedures will be demonstrated. Participants will be encouraged to come to the University to observe and participate in a program which includes such events as chainsaw cutting, chopping, and cross-cut sawing competition. Technology (e.g., kiln-drying) is also shared with individual businessmen to encourage them to process their products to the fullest extent possible before shipping out of Eastern Kentucky.

MSU's President emphasized that the key to success in introducing new technologies in farming is to make sure a staff member is available following demonstration seminars to visit the farms to help with any problems in implementation. It is also important to introduce work which can be done on a part-time basis so farmers can also hold other jobs. MSU has found that marketing co-ops have failed in its area. Based on this experience, MSU concentrates on bringing the buyers and producers together to work out business relationships on an individual basis.

6. Labor Force Skills Preparation. MSU operates a displaced homemaker's program, a CETA program to train workers in several trades, and provides the education component for the local Job Corps program. It has also designed specific programs to meet the training needs of local businesses (e.g., a program to teach lumber grading techniques). The director of a new firm locating in the area considered MSU's promise to train his employees to be a critical factor in his location decision.

B. Structure

The ADC is a separate division under the Vice President for University and Regional Services. It has its own offices and staff. This separation

is considered to be essential so that public service will not be neglected in preference of academic pursuits. ADC is run by a director who has four assistant directors -- one for each program component. Current staff level is nine; however, there are three or four vacant positions in business development. The staff does not have teaching responsibilities and are not in tenure track positions. When a major project such as Martiki is undertaken, appropriate administrative structures are established. In the case of Martiki, the project is under the supervision of the Dean of Applied Sciences and Technology with the advice of a campus advisory committee and a University/MAPCO management committee. Faculty from the Agriculture Department are the key staff for the project.

C. Funding

The ADC receives around $250,000 per year in state funds. The SBDC is cosponsored by SBA, which provides around 70% of its funds. Clients are asked to pay nominal fees if projects require an excessive amount of staff time. The Martiki project is clearly the largest project of its type undertaken by the University, and full funding is provided by MAPCO. While other departments at MSU are involved in public service on an independent basis, officials emphasized that the ADC is the "public service arm" and as such receives University funds designated for that purpose.

D. Relationship to Other School Activities

ADC is intended to be the umbrella structure for the coordination and delivery of all non-instructional services to the region. The ADC is to be the vehicle through which regional employers and governmental organizations can utilize the University's facilities and faculty. To date, some regional service programs have been transferred from academic departments,

while others remain. Some faculty support the idea of public service, while others are opposed to non-academic endeavors. Faculty who are involved in public service activities can be relieved of some teaching responsibilities, and recognition is given to service functions in promotion and tenure considerations.

The agriculture faculty is particularly involved in public service activities. They conduct research and training in new technologies. Students are also involved in co-op programs from which they receive both credit and salaries. Students are selected who have a financial need as well as an academic interest in each project.

Faculty prepare studies on regional issues which are published through ADC's monograph series. They are also called on to provide direct consulting services to businesses and to conduct product research.

E. Relationship to Other Community Economic Development Efforts

The Agriculture Department and its Martiki project appear to be major economic development initiatives for the area. The Area Development Districts (ADD) are also involved in economic development and try to deliver many of the services offered by the SBDC. However, they are also responsible for a broad range of community services and have experienced staff reductions in recent years. The director of a local ADD stated that he has lost three-quarters of his staff and has requests for ten times the work. Consequently, his staff has no specialists; everyone has to work in several program areas. The SBDC and the local ADD both stated that the demand for their services is so extensive that service overlap is no problem. The ADD director believes that the University's role in development is increasingly important because other resources have dried up. The

ADD and ADC are working together on developing a consortium of regional banks to spread risks in providing capital for small businesses. Some counties have industrial development authorities which are also plagued by limited resources. The Vice-President for University and Regional Services is an active member of both the ADD board and the local development authority, and he makes sure that MSU's resources are available to both groups.

The region is also served by two noteworthy development organizations -- MACED and Kentucky Highlands. Both organizations are specialists in new business development. However, there is little interaction between MSU and these organizations -- only on a project basis.

While MSU is active in new business development, staff emphasized that they play a role in economic development because access to faculty enables them to participate in a range of related activities -- e.g., research on product development; data collection and analyses; technical assistance in implementation of technologies; and training.

F. Relationship to State Economic Development Efforts

The major state development effort appears to be the Appalachian Regional Commission (ARC) program. It focuses on (1) jobs and private investments in Appalachia and (2) on distressed counties. Examples of activities include flood abatement and water/sewage projects. ARC works directly with city and county governments. The state CDBG program is also run directly with city and county governments and supports projects related to economic development as selected through a competitive statewide proposal review process. Eastern Kentucky is also served by the state's industrial recruitment program. However, according to several local officials, the

area is not considered to be a prime location spot and, consequently, few prospects are brought into the region by state officials. Although there is no specific relationship between MSU and state-level economic development programs, state ARC staff expressed an interest in increasing the involvement of MSU in its programs in the near future.

III. Rationale for Institutional Involvement in the Economic Development Process

A. Reasons for Initial Involvement

University officials identified several factors which resulted in an increased role for MSU in regional economic development. These forces came from within the school as well as from other areas of the region. As Eastern Kentuckians have experienced a growing pride and sense of identification with the region, they have placed political and social pressure on the University for greater regional emphasis. Simultaneously, enrollments at MSU have been dropping and school officials are looking for other roles for the University within the region -- both to expand MSU's function and to enrich the educational experience. Several of the current University leaders have strong personal ties to the area and are dedicated to preserving its qualities while promoting its development. Given limited resources, there is competition between Kentucky universities for the support of the region. And there is also a sincere desire among some of the faculty members to "make a difference" in the quality of life in Eastern Kentucky.

In 1977, the Kentucky Council on Higher Education formalized MSU's role in regional development through its mission statement. It made it clear that MSU has a role in the development of Eastern Kentucky. While the

University had the capacity to assist in this area, it had no means to focus its resources on economic development. Consequently, the ADC was established. Existing faculty resources were tapped and additional staff were hired to make sure resources would be channeled to meet regional needs. Staff selection criteria have shifted from academic credentials to emphases on communication skills and practical experience.

While service activities have existed at the University for years, they have been part of academic programs and often were dropped as other needs arose. Many were supported by federal dollars which have diminished. ADC's establishment ensures that the state dollars will directly support regional development.

B. The University's Role in Local Economic Development

The President of MSU has stated that "We are convinced that the future of our University and that of our primary service region are inseparably linked. If Appalachian Kentucky prospers, so will Morehead State University. If the region diminishes in economic and social vitality, so will the University." University officials made it clear that they see themselves as leaders in the region's development. Through its faculty and facilities, the University has resource potential that is unmatched by other local organizations. More importantly, it is located in the region and many of its leaders are dedicated to improving the area. Several individuals pointed out that the resources of the other state universities are not geared towards the special needs of Appalachia and that some "outsiders" seek to change the area rather than to emphasize and develop its qualities.

School officials listed a number of specific projects (mostly in agribusiness) which it hopes to undertake in the coming year. While the

University has the technological skills to undertake these projects, additional staff would be needed to provide technical assistance to individual farmers, and access to start-up capital would need to be made available. Clearly additional staff will need to be hired to support the business development activities MSU hopes to pursue, and efforts to convert additional faculty into providing regional services must be increased. ADC recognizes this need and plans to hire three or four additional staff members and to hold meetings with faculty to explain ADC's mission and the need for additional support. ADC also plans to step up efforts to increase funds through applications to foundations.

C. Motivation for Involvement in Economic Development

The President of MSU made it clear that the University is involved both because there are benefits to the institution and because he and others at the University are dedicated to the region. He has identified four specific reasons for involvement in the region. First, if the region grows, so will the University. Growth means more students and more money for education. Second, as Appalachians take more pride in their heritage, they will support a university which identifies with and promotes the region. Local support is essential to positive legislative action on school allocations. Third, MSU is the largest single state investment in the area, and taxpayers increasingly expect to get what they pay for. Therefore, public facilities and personnel (even academic) can be expected to serve the entire community. If enrollments drop, regional service might prevent a consequent drop in state funding. Fourth, the University programs benefit from internships, collaborative research, and personnel exchange which result from regional service programs. These activities make faculty positions more interesting and attractive and help prepare students for jobs. The Martiki project is

a prime example of regional service which offers unlimited opportunities for applied research for faculty and work experience for students. It provides a challenge to professional students and keeps them in touch with the latest technology. As a result, MSU will attract better students and faculty.

D. Benefits to the Community

The current and potential benefits to the community are extensive. The following examples were noted during the site visit. (1) The Martiki project will create jobs; introduce new agribusiness technology; create desperately needed flat land for business, agricultural and recreational development; improve relations between coal companies and the community; and draw national attention to the region as a leader in land reclamation. (2) The business development activity of ADC helps create jobs (e.g., 250 through the latest location decision of the mining parts firm). (3) Profits of existing firms are increased through seminars to introduce new technologies. (4) Training is available to qualify residents for area jobs. (5) University staff are involved in community development projects such as downtown revitalization and organization of volunteers. (6) The University sponsors festivals which improve the image of the area in other parts of the country. (7) The types of jobs created and the sectors which benefit from the new technology (e.g., agriculture, lumber) should provide employment to the disadvantaged.

IV. Community and State Attitude Toward Role of the University in Economic Development

The reactions of related planning agencies to the University have been mixed. University officials state that while they have been challenged to

enter the "real world" and provide public services to the region, some of their efforts have met with resistance. For example, agencies which have traditionally provided manpower services have challenged the ADC's right to serve its clients. Other government officials have questioned the University's capability to deal with practical problems and groups comprised of non-students. While there has been some criticism of the expanded role, the overall reaction among related agencies seems to be positive. It seems that agencies recognize that there is more than enough work for all of them and that the University's resources could be invaluable to the development of the region.

Although interaction between ADC and existing agencies has not been extensive, it is destined to grow in the near future. For example, an ARC official expressed interest in increasing the involvement of MSU in assessing regional sociological issues. He stated that the state needs the "indigenous think tank" if it is to maximize its investments in the region. The ADD official also expressed strong interest in cosponsoring with MSU efforts to assist business development in Eastern Kentucky.

V. Conclusion

Although MSU has only been in the economic development field for a few years, the University has the potential to become an increasingly important factor in the development of the region. Specific benefits have already accrued to the University (e.g., opportunities for applied research, improved public image, internships) and to the community (e.g., new technology, jobs, improved environment, positive publicity). Agencies within and outside the region are showing interest in working with the University. Key University officials are dedicated to the public service role and to converting other faculty to their viewpoint.

The impact of MSU on the economic development of the region will increase over time if University officials continue on their current track. ADC will gain more experience in working with businesses, governmental agencies, and community groups, and the staff should stabilize as the role of the center becomes clearer both to other faculty members and to the community. The center has plans to sponsor more seminars and workshops to bring in agency staff, businesses, and other members of the community. ADC staff are aware of the need to gain the support of more faculty members and to increase staff capacity in the business development area. They plan to meet with faculty to explain ADC's role, to promote more publications on regional issues, to publicize the value of MSU's public service projects and to make sure the faculty understands the consequences of not becoming involved in regional affairs. MSU is seeking funds to expand the role of ADC (e.g., to support staff to deliver technical assistance as new technologies are implemented), and to support interdisciplinary research that is related to Appalachian development.

The University officials made it clear that they view MSU as a leader in regional development. They believe that the University's resources are necessary and should be used to support regional development. They see no limit to the potential of the region (e.g., it can be developed into the agricultural center for Kentucky and a major recreational center in the Southeast). As MSU continues to gain experience in this field and support of people throughout the region, its officials believe they can help enhance the quality of life in Appalachia without destroying the beauty and heritage of the region.

List of Persons Interviewed

Morris Norfleet	President, Morehead State University
Phillip Conn	Vice President for University and Regional Services
Mike Vallez	Vice President of Operations, MAPCO (East Kentucky)
Don Fogus	Director, Appalachian Development Center
Bob Justice	Small Business Development Center, ADC
Shirley Hamilton	Community Services, ADC
Douglas Dotterweich	Regional Research, ADC
Bernard Davis	Director, Small Business Institute
Charles Derrickson	Dean of School of Applied Sciences and Technology
Andy Boston	Professor of Agriculture
Jim Kennedy	Appalachian Regional Commission, State Staff
Vearl Pennington	Gateway Area Development District
Bernard Fisher	Hall Holdings, Inc.
Harold White	White Lumber Mill
Nobel Tackett, Jr.	Tackett's Sawmill and Logging Supplies

A Case Study of Economic Development Activities at Savannah State College Savannah, Georgia

by
Rose-Marie Stewart

I. Introduction

Savannah State College (SSC) was chartered as the Georgia State Industrial College for Colored Youths on November 26, 1890, by an act of the General Assembly of the State of Georgia. It is the oldest public institution of higher education founded to provide for the education of black students in Georgia. There are only four other schools in the University system of Georgia older than Savannah State College -- University of Georgia, 1785; North Georgia College, 1873; Georgia Institute of Technology, 1885; and Georgia College, 1889.

In 1979, the United States Department of Health and Human Services issued a desegregation order, which resulted in the transfer of the Education Department from Savannah State to Armstrong State College (ASC), a predominantly white institution. The Business Department, along with the faculty and student body from Armstrong State, was transferred to Savannah State College. The college is currently organized into three schools: business, sciences and technology, and humanities and social sciences.

Savannah State College traditionally geared its curriculum toward the liberal arts. Because of its growth and commitment to urban and community involvement, several new programs have been added. It is the only college in Georgia that offers a degree in marine biology. Others of its programs include environmental studies, chemical engineering technology, mass communications and computer technology.

The student body at SSC is as diverse as its programs. During the 1980-81 school year, approximately 2,100 students came from places such as Atlanta, Waycross, New York, New Jersey, Chicago, Nigeria, Saudia Arabia, and the Peoples' Republic of China, to further their education at Savannah State College. At least 10% of those students were classified as non-minority.

The physical facilities are located about five miles outside downtown Savannah, a city considered to be Georgia's key port city. According to data provided by the Chamber of Commerce, the area's largest employer is Union Camp Corporation, which manufactures unbleached kraft products and employs approximately 4,000 people. The city's unemployment rate stands at 9%, due largely to employers' policies of laying off workers for short periods of time rather than decreasing the work force.

One would think that because of Savannah's geographical location and port facilities the city should be experiencing a faster growth rate than it has. According to the Chamber of Commerce, Savannah's educational system is weak, and, therefore, large businesses are not attracted to the area. This year, the Chamber established the strengthening of the education system as its top priority and expects to receive the support necessary to accomplish this goal.

In an effort to improve the growth of Savannah, the City established an Economic Development Department four years ago, its first endeavor in downtown commercial development. One of the major developments currently on the drawing board is Savannah's Battlefield Park, which when completed will house a mix of tenants in a multi-use complex. The thrust of the project is to restore significant architectural landmarks, bring economic

vitality to the area, and to commemorate the site of the Revolutionary War Battle of Savannah. One of the tenants in the complex will be the Continuing Education Center, similar to the center at the University of Georgia, Athens.

Savannah State also hopes to establish jointly with ASC an Economic Education Center. The purpose of the center will be to train high school teachers in economics so that they will be better equipped to teach related courses in high school. The director of the center will come from Savannah State College, and the assistant director, Armstrong State College.

II. Overview of Economic Development Activities Conducted by SSC

Historically, outreach programs administered by Savannah State have been targeted to Savannah's black community. However, economic development activities involving the total community have assumed more importance in recent years. One of SSC's newest projects is its Small Business Development Center.

The Small Business Development Center (SBDC) of Savannah was established in early 1982 and had as its mission providing continuing education and consultative (technical assistance) services to the small business community. The SBDC is considered by the Chamber of Commerce as a place for "start-up" help; i.e., helping potential business owners get off on the right track in order to avoid pitfalls or failure. Businesses seek out the services of the SBDC through advertising done by SBDC (small-scale) and, surprisingly enough, through the white pages of the telephone directory.

Since the center opened its doors, nearly 1,700 people have been served. The statistical breakdown is as follows:

1. Counseling

a. Number of cases opened	212
b. Start-ups	110
c. Financial cases	85
d. Minority cases	81
e. Female cases	79
f. Veteran cases	60

2. Continuing Education Programs

a. Number of programs held	33
b. Total attendees	806
c. Total hours of training	2100

The center employs a number of resources to assist businesses. For example, SCORE volunteers (retired executives) work with the SBDC on an as-needed basis, and often students from SSC are used to do surveys for small businesses. The chamber often sponsors seminars on advertising or conducts outreach programs. The chamber also sponsors an Entrepreneur Weekend where students from SSC interested in business ventures can interact with the business community, SBDC, and the Small Business Administration.

Faculty, particularly those with practical experience such as from running their own businesses, are used occasionally as resource persons on SBDC projects. More frequent utilization of faculty has not been stressed, principally from concern that the public may be intimidated by degreed academicians.

The SBDC is located downtown in the Chamber of Commerce offices, rather than on SSC's campus. This arrangement has been encouraged by the Small Business Administration and by the central administrators of the SBDC program at the University of Georgia. Not only does the arrangement help link the activities of the SBDC with those of the Chamber, but it also helps to minimize any apprehension potential clients may have about seeking help from collegiate professionals. The Dean of the School of Business is

the "overseer" of the SBDC, though the daily activities are managed by a full-time director.

Funding of the center has been modest. Last year the SBDC received a $50,000 grant from the University of Georgia with a 20% local match requirement. Most of the match and all of the cash used as match came from the School of Business. An in-kind contribution also came from the Chamber of Commerce. While community leaders expressed a concern about the adequacy of funding levels given the need for services in the community, SSC personnel emphasized the importance of having a base grant from outside SSC to make the SBDC economically feasible.

Again, while the SBDC may be physically located downtown, there appears to be a relationship developing between its activities and those of the business school and the School of Sciences and Technology. It is the President's feeling that the three schools (humanities included) cannot operate in isolation from each other. As part of this effort, SSC has ordered computers that will be used in interdisciplinary programs being planned for the business and technical schools.

As mentioned earlier, the City of Savannah has not experienced any significant growth and only recently established a Department of Economic Development. The city is attempting to redevelop the downtown district and is trying to strengthen its tourist trades by building hotels and motels and attracting conventions to support that growth.

The relationship between SSC's economic development projects and other community efforts is almost negligible because of (1) limited activity on the City's part, (2) the infancy of SSC's involvement in that arena, and (3) the feeling on the part of some business leaders that SSC lacks

an aggressive outreach approach. On a positive note, the city's economic development department has used students from SSC to conduct shoppers' surveys regarding income, shopping habits, interests, etc. The department was satisfied with the work done and is considering using the students for smaller neighborhood projects.

One black businessman expressed an opinion that SSC could perform a useful service if it tried to coordinate the activities of a hodgepodge of agencies/groups dealing with economic development. For example, the city has an economic development department, and there are the SBDC, Coastal Area Minority Business Council, Savannah (Minority) Business Development Center, and the Georgia Ports Authority. Whether the SBDC is the right agency to assume this responsibility is debatable. The SBDC is charged with coordinating all federal, state, and local resources with those of the university system for delivery to the small business community. Yet the same funding source which provides the bulk of SBDC's funds (SBA) also funds the Savannah (Minority) Business Development Center. And while the City of Savannah's Economic Development Department operates a 503/certified development company chartered by the SBA, the SBDC is prohibited from being directly involved in some segments of that program.

III. Rationale for Involvement

It is difficult to pinpoint how SSC became involved initially in economic development activities. According to the director of the SBDC, when the program exchange occurred between SSC and ASC, the idea of establishing a center in Savannah emerged. Originally, there were four SBDCs located in Georgia: Atlanta (2), Albany (1), and Statesboro (1).

The interview with SSC's president revealed some interesting and contradictory (as will be seen in the section dealing with the community) ideas. When the current president assumed his position in 1980, there was no permanent head of the business school. There were, however, two department heads (white male, black female) who apparently did not communicate well with each other. Therefore, the President saw the need to move swiftly to appoint a permanent Dean of the School of Business to bring about a needed cohesiveness between former ASC and the existing SSC faculty.

The President appointed a white male (former faculty member at Georgia Southern) to serve as Dean of the School of Business. The President felt this move would gain inroads into the business community. Previously, the relationship between the school and the community was weak. The President feels that the white business community now is beginning to respect the school and that he has begun to gain their confidence. The President's top priority for 1984 is the School of Business, and he hopes to have 1500-1600 students in that school alone within the next five years.

Since the school's capacity for carrying out any sort of economic development activity was limited at best, Savannah State's President initiated certain strategies to increase SSC's ability to perform. First, there was the appointment of the white Dean of the Business School. Secondly, his inaugural address dealt with changing the image of the school from the rural, land grant college that it ceased to be in 1949 to a modern urban, regional institution in the 1980's and beyond. The President integrated the concept of economic development into the mission statement of Savannah State College, and each of the three schools has tied its purposes into the overall mission statement.

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Another of the President's strategies involved bringing in new staff and faculty and encouraging them to write proposals to bring in grant money. As a matter of fact, grantsmanship is tied into the reward or merit system. The President feels that the faculty is now comfortable in writing grants.

Savannah State College is one of only three schools in southeast Georgia and the President sees a need for SSC to take on a role that would have an impact on the region. The three presidents of these colleges meet at least three times a month and engage in free exchange, with emphasis on reaching out to other schools in the region.

There is still a need for increased funding to accomplish the goals that SSC has established for itself. The President feels that because SSC is trying to change its image (e.g., membership in the Chamber of Commerce, white dean of the business school, the downtown location of the SBDC and new faculty), the level of giving from the community is up.

The President sees advantages to becoming involved in economic development activities on a larger scale sometime in the future. For example, the image of the school would be improved, more faculty and students would be attracted, the level of academic excellence would increase, and there would be better acceptance by the "downtown business structure." The school is still viewed by some (including some faculty) as isolated, casual, rural, and content to be that way.

Community leaders see advantages to SSC's becoming involved in economic development activities but feel SSC's efforts to date have been limited. The president of the area's only black bank feels that there is a greater need for the school to do outreach to small businesses. He feels that small businesses may be intimidated by the "academically structured" setting of

a college campus, and that therefore, SSC should make itself more visible and accessible to the community.

Another suggestion from a local businessman was that the marketing professors take a more active part in the business league. According to this businessman, there are perhaps only five faculty members including the president of SCC that "come into" the community. He feels that the president should encourage others to venture out.

The bank president sees SSC playing a vital role by examining the state's economic development policies and practices and identifying ways in which some of them are not benefiting the minority community.

One of the difficulties, the bank president feels, that SSC has in building incentives for community involvement centers on the hierarchy of state-supported schools; those schools do not report to a single board of trustees, as do private schools, but must cope instead with the Board of Regents. This same question was raised by the dean of the business school, who wondered if private schools might be in a better position to become involved in economic development activities since there is less control over them by the state, particularly in the area of fund raising.

Is there then any benefit to the community or payoff to the disadvantaged population? One businessman feels that the school does have an obligation to do outreach even without financial reward. If SSC were to build a few supporters among small local businesses by providing technical assistance, the businesses in turn would contribute to the school. In this businessman's opinion, Savannah State College takes its economic impact for granted.

Another local black business leader expressed similar concerns about SSC's benefit to the community. He feels that (1) there is almost no involvement on the part of faculty and staff in community activities; and (2) the funding level is not sufficient to allow SSC to operate effectively. He too feels that the school's geographic location not only makes it isolated physically but diminishes its impact on Savannah's development.

The dean of the business school believes that SSC is an integral part of the black community even though it has been somewhat isolated from the white community.

These opinions make it difficult to determine if the community as a whole has benefited from SSC's involvement in economic development activities.

IV. Conclusion

Savannah State College's involvement in the community has not been greater because (1) the school's economic development activities programs are relatively new; (2) school administrators are, of necessity, preoccupied with the desegregation plan and its ultimate effect on SSC; (3) the administration of the school is new and attempting to change the image of the school; and (4) funding and other resource limitations exist. SSC sees a definite role for itself and other black post-secondary schools in the scheme of community involvement. The President believes that in order to accomplish this goal, black schools should do the following:

- look at their mission and geographic settings and decide whether or not they can serve a useful role in the local development process;
- change provincial attitudes and recognize that they can have a sphere of influence larger than the immediate setting of the campus;
- become involved in high technology;

- consider ways to work with community planners and developers -- most black schools cannot be "MITs," but they can do something;
- improve self confidence -- there is more talent and ability among black schools than they realize exist;
- broaden interests to include all of education, not just black education;
- develop expertise in areas other than liberal arts. Otherwise, some might fall by the wayside;
- make the community aware of resources and invite community members into the school. By the same token, the schools must make use of the community's resources; and
- bring in new blood.

With regard to the issue of state vs. private control, the President believes that schools are not necessarily restricted because they are state schools, except in the use of state funds. Most state schools have foundations which provide them with flexibility in their administration. Savannah State is somewhat "restricted" now because of the desegregation plan.

Representatives of the black community see significant opportunities for SSC to play greater roles in the economic development process, but they are eager to see things happen now. The new administration is making changes that hopefully will broaden SSC's influence and visibility.

Savannah State College now appears to be in a progressive, transitional stage. While the school traditionally has had a low community profile, the SBDC is a major new step that will assist in improving outreach to both the white and black community.

List of Persons Interviewed

Roy Wood, Chamber of Commerce

R. D. Franks, Director, SBDC

Dr. Leo Parrish, Dean, School of Business

John Neely, Director, City of Savannah, Economic Development Department

Robert E. James, President, Carver State Bank

Ben Tucker, Owner and General Manager, WSOK Radio

Dr. Wendell G. Rayburn, President, Savannah State College

A Case Study of Outreach and Economic Development Activities at Tuskegee Institute Tuskegee, Alabama

by
Nathaniel Jackson

I. Introduction

Tuskegee Institute is an 1890 Land Grant institution. Today it has approximately three thousand students. Tuskegee Institute was founded by Booker T. Washington in 1881. From its inception, Tuskegee Institute was envisioned as a provider of education and service. Booker T. Washington was concerned primarily with preparing students to become economically self-sufficient. The composition of Tuskegee Institute is similar to that of most historically black colleges. The majority of the students are from lower-to middle-income families. Tuskegee Institute differs from other black colleges and universities because of the number of foreign students it attracts. The Institute draws a significant number of students from Third World countries.

Tuskegee Institute is located in Tuskegee, Alabama, in the southeast of the Black Belt. The area has a stagnant economy in which agriculture continues to play a dominant role. For this reason, Tuskegee and most of the Black Belt region remain very rural. The largest city in the Black Belt region is Montgomery, approximately forty-five miles west of Tuskegee. Montgomery is also the capital of Alabama.

The government of Alabama is the major force in economic development in the state. The Office of State Planning and Federal Programs has been designated the administrator of the Small Cities Community Development Block Grant Program (CDBG) in the state of Alabama. As a result of this new authority, the Office of State Planning is administering the Community Development Block Grant Program with special emphasis placed on economic

development. Given the thrust of the program, small municipalities in Alabama will have more financial assistance to promote economic development in their communities.

II. Overview of Economic Development Activities

Outreach at Tuskegee Institute is extremely broad in scope. Outreach programs cover an array of activities as varied in nature as providing basic literacy for adults to feeder-pig programs for farmers.

In the areas of outreach and research, Tuskegee Institute continues the tradition started by Booker T. Washington and George Washington Carver. Much of the research and outreach work conducted at Tuskegee occurs under the umbrella of the Carver Research Foundation which encompasses the Human Resources Development Center (HRDC), the administrative arm for outreach programs at Tuskegee Institute. The outreach programs for which HRDC is responsible fall into two categories. One category includes programs which were started by HRDC but which are now independently operated. The other category of outreach programs are those which HRDC operates.

Tuskegee Institute is using five of the six strategies described by the Task Force on Education and Economic Development to the Southern Education Foundation in its 1982 report entitled An Expanded Role for the Southern Education Foundation in Linking Post-secondary Education and Economic Development. It was evident, however, that not all five strategies were directly linked to economic development. The research activities, for example, were aimed at improvements in agriculture and social policy. The other four strategies employed at Tuskegee Institute were designed to enhance employment and business opportunities for minorities and the poor within the target area. A description of the five most relevant economic development strategies used at Tuskegee Institute follows.

Providing Technical Assistance to Firms

Tuskegee Institute's most direct involvement in economic development, among the projects visited, is coordinated by the HRDC/Economic Development Technical Assistance Unit (HRDC/EDTAU), which is a component of the Human Resources Development Center. In addition to a feasibility study for Tuskegee's industrial park, HRDC/EDTAU is engaged in providing local businesses and entrepreneurs with technical assistance. The most ambitious project on which the unit has worked to date is the development of a multi-purpose center. The multipurpose center is being developed by a black entrepreneur who wants to construct slaughterhouses, a recreation center, and a farmers cooperative. In addition the HRDC/EDTAU was instrumental in providing advice on soil conservation and utilization required to mitigate negative impacts from the slaughterhouses.

The director of the HRDC/EDTAU sums up the unit's role as providing technical assistance and information about resources -- providing better communication between black businesses and the Institute; opening up a closed economic system to business people doing projects that do not require large amounts of cash. The director stated that the HRDC/EDTAU will take assistance to the community to help meet the latest challenges of economic development. The HRDC/EDTAU program should lower unemployment, increase per capita income, and increase total family income for low-income and unemployed people.

Participating in the Formulation of Public Policy on Economic Development

Faculty and staff appear to be involved, although minimally, in designing public policy for economic development. The HRDC director serves on the USDA National Advisory Council for Rural Development. In addition,

Tuskegee Institute personnel played a critical role in providing a comprehensive development plan for the City of Tuskegee. More specifically, involvement in economic development planning by the School of Architecture has facilitated the production of plans for revitalizing the commercial district and establishing a historic district in the City of Tuskegee.

Supporting the Development of Industrial Infrastructure

There are two cases in which Tuskegee's HRDC/outreach program is providing assistance in the development of an industrial infrastructure. In the first case, HRDC/EDTAU is doing a feasibility study for space utilization in an industrial park which the City of Tuskegee is constructing. In the second case, Tuskegee's HRDC/Extension Service is continuing its historic role in providing innovative technology to the agricultural industry in the Black Belt counties of Alabama. Another unit of the Institute that is active in providing support for agriculture is the School of Veterinary Medicine.

Providing Labor Force Skill Preparation

A Job Corps program and a Home Economics-Clothing program were preparing young people for jobs, but the programs used different approaches. The Jobs Corps is a nontraditional educational program which trains non-college youth in specific job skills. Tuskegee's Job Corps is the only one in the nation administered by a college. In contrast, the Home Economics-Clothing program at Tuskegee Institute is a traditional curriculum program. The program now stresses the teaching of design rather than of clothing production because of the types of jobs now available in the clothing industry. There is also an emphasis on encouraging students to set up their own businesses.

HRDC was established through a grant from the W. K. Kellogg Foundation. The Center also has received support from numerous private philanthropic organizations, individuals, and government agencies. HRDC's "field laboratory" encompasses more than 14 Alabama counties, and extends into the nearby states of Louisiana, Mississippi, Georgia, Florida, and South Carolina. HRDC's programs fall into several broad areas, such as agriculture and resource development, community education, youth services, business development, manpower training, community food and nutrition, and international linkages.

Developing a base of support for the idea that Tuskegee Institute's strength lies in its outreach function was not easy. Strong resistance came from the power brokers within the institution who were convinced that research is more important, and still others who felt that teaching should be the major focus. Their fears were anchored in the belief that limited resources of the institution would be siphoned off to support outreach programs. These fears have now largely dissipated and HRDC constitutes a vibrant component of Tuskegee Institute.

Tuskegee Institute, through HRDC, maintains a strong relationship with the South East Alabama Self Help Association (SEASHA). SEASHA is a spin-off from HRDC. It works directly with local residents to establish self-help organizations. It has developed farming cooperatives, seed and feed stores and a credit union. SEASHA has also developed a community for the elderly and handicapped, Sojourner Homes. Sojourner provides a variety of services to the residents in the community and other elderly and handicapped persons in Macon County, Alabama.

The Human Resources Development Center staff continue to provide assistance to SEASHA. In addition, the School of Nursing and the Department

of Social Work have contributed to Sojourner's efforts to provide medical and social services to its residents. The director of SEASHA, once employed with Tuskegee Institute's Human Resources Development Center, stated that his organization relies on Tuskegee Institute/HRDC for technical advice. The director of SEASHA concluded that Tuskegee Institute/HRDC had made an enormous contribution to self-reliance and independence among black people in SEASHA's target area.

In spite of the benefits received by many citizens in Alabama from the economic development projects sponsored by HRDC, there was apparently little cooperation between Tuskegee Institute and the State of Alabama in the area of economic development. With the exception of the City of Tuskegee, no other units of government in Alabama had established working relationships with Tuskegee Institute to foster economic development. When asked about state cooperation, most HRDC program directors stated that there was little interaction between economic development programs at Tuskegee Institute and state government.

Tuskegee Institute, however, has recently developed plans to improve its relationship with state government. The former Vice-President for Development has been designated the liaison for state and local relations. This new job was created because of the changing role of state governments under block grants. Tuskegee Institute is attempting to improve relations with state and local officials and staff to generate grants and other support for programs at Tuskegee Institute.

III. Rationale for Institutional Involvement in the Economic Development Process

Tuskegee Institute, during and following the days of Booker T. Washington and George Washington Carver, has been committed to education

and service. Booker T. Washington established Tuskegee as a learning institution that would also have an impact on the broader community. Institutions of higher education routinely make claims about the services they provide to their broader communities. Few institutions can justify such claims; Tuskegee Institute can.

George Washington Carver brought substance to the philosophy of education and outreach enunciated by Booker T. Washington. One of the initial components of Tuskegee's outreach thrust was economic development. Carver set out in the Jesup Wagon to provide local farmers with education, but enhancing their capacity to farm efficiently and productively was also one of his major objectives. Retaining this outreach function remains vital to the mission of Tuskegee Institute.

The HRDC/Extension Service is, perhaps, the most traditional expression of the outreach and economic development philosophy at Tuskegee Institute. The director of this unit asserted that farming was a risky business and that small farmers needed technical assistance to survive. The information and services provided by Tuskegee Institute HRDC/Extension Service were designed to increase the survival chances of small farmers. Moreover, this HRDC unit provided community development and youth services which had as their objectives improving the quality of life in the Black Belt counties of Alabama.

More modern expressions of the rationale for outreach at Tuskegee suggest that the Institute is an agent of social change. One of the officials at the Institute noted the high cost of outreach activities. Tuskegee Institute continues outreach activities, the official stated, because it is the foundation of its mission. Tuskegee Institute views

itself as an agent of social change, and HRDC is where most of the social change has occurred.

Tuskegee Institute has adopted several strategies for continuing outreach programs threatened by cost considerations. These strategies include:

1. Retaining the consistency between outreach programs and federal interest areas to insure future funding.
2. Searching for ways to combine grant money for outreach with other funds. For example, joint appointments for outreach and teaching personnel.
3. Incorporating outreach programs into academic departments.
4. Spinning off programs to the community.

The payoff to Tuskegee Institute for conducting outreach programs has taken several forms. Foundation monies have helped ease administrative overhead cost at the Institute. Outreach programs have also strengthened Tuskegee Institute's teaching capacity, because local communities have served as field laboratories. In these laboratories theories have been tested and learning has been enhanced. Finally, HRDC outreach programs have provided valuable services to local residents.

For the most part, the outreach and economic development programs sponsored by Tuskegee Institute Human Resources Development Center were well received by the community. The HRDC Director stated, for example, that the counties in which the HRDC/Extension program operates had shown their response to the Community Development and Youth Development programs by providing financial support.

The Director of SEASHA indicated that it had been difficult to get blacks in the area to believe that they could develop their own economic institutions. He felt, however, that the acceptance of SEASHA's credit

union and other programs reflected acceptance of the self-help philosophy among the target population.

The Assistant Director for Community Development thought that Tuskegee Institute had made a significant contribution to economic development. Although the Institute had not been involved in a large number of projects, the ones that it had conducted were done well.

There was, nonetheless, room for greater participation by Tuskegee Institute in economic development according to the Assistant Director for Community Development. She was primarily concerned about the assistance that could be provided for cities to compete effectively in the Prepared Cities Program. The Institute, stated the Assistant Director, could help small municipalities prepare for site visits by prospective industries. In this regard, the Institute could help small communities assess their resources and determine the most appropriate kinds of industries to seek. The Prepared Cities Program was deemed especially relevant because the state of Alabama has provided a set-aside for economic development grants in its Community Development Block Grant Program. The set-aside will increase the amount of money available to small municipalities to foster economic development. It is significant to note that the recently funded HRDC/EDTAU has this as one of its major goals.

IV. Conclusion

Tuskegee Institute since its founding has had outreach as an integral part of its mission. The school was founded not only to educate students, but to improve the quality of life within the total community. The legacy of Booker T. Washington and George Washington Carver has continued to

influence the nature of education at Tuskegee, and it has helped to maintain a sense of commitment to the community. In 1968, HRDC was established at Tuskegee Institute to coordinate the development and administration of outreach programs.

The impacts of the outreach and economic development activities sponsored by Tuskegee Institute have been many and varied. Some of the programs have been very successful in contributing to improvements in the quality of life in Black Belt counties of Alabama. None of the programs sponsored by Tuskegee Institute has reached all of the rural poor in the Black Belt of Alabama. It seems clear, however, that those people who have been touched by these programs have noted some improvement in the quality of their lives. There are, at least, more people who have an opportunity to live better lives because of many of the outreach and economic development projects sponsored presently or in the past by Tuskegee Institute.

One of the major beneficiaries of outreach and economic development activities has been Tuskegee Institute. As a result of retaining outreach as a vital component of its mission, Tuskegee Institute has benefited in two distinct ways. First, it has a national and international reputation which provides it with stellar recognition among the family of institutions of black higher education. This recognition helps to generate a constant flow of students and philanthropic support. Secondly, the recognition which Tuskegee Institute enjoys has strengthened its financial base, thus allowing it to avoid the serious financial crisis that many institutions confront today.

With the confidence provided by a strong financial base, Tuskegee Institute is planning to establish programs which keep it in the forefront

of economic development. The Institute, for example, is pursuing funds to conduct programs in computer literacy. The program will be directed at local high schools. In addition, it is reported that Tuskegee Institute will soon have a $12.5 million aerospace building as part of the School of Engineering. These plans suggest that Tuskegee Institute will retain its position as a leader in providing outreach programs to the state, the nation, and the world.

List of Persons Interviewed

Dr. Velma Blackwell	Liaison for State and Local Relations
Dr. T. T. Williams	Director, HRDC
William Gess	Director, Job Corps
Dr. W. H. Thomas	Director, Community Education
Dr. Bobby Phills	Agricultural Research
Dr. Lillie Robinson	Adult Education
Booker T. Felder	Home Economics-Clothing
Dr. Raymond Handy	Adult Leadership Program
Brenda Johnson	Allied Health
Dr. Evelyn White	USDA Food Inspection Program
Dr. Padmore	Rural Development Research
Patricia Harris	International Health
Donald Lawson	HRDC/EDTAU
P. W. Brown	Cooperative Extension
Frank Toland	Mayor Pro Tem, Tuskegee and Faculty/Staff, Tuskegee Institute
John Brown	SEASHA
Doris Overton	Sojourner
Walter Oldham	Tuskegee Area Health Education Center
George Clay	Chamber of Commerce
Patricia Clay	Community Development
W. Simmons	National Health Care Center

A Case Study of Economic Development Activities at Western Carolina University Cullowhee, North Carolina

by
Carol A. Lincoln

I. Introduction

Western Carolina University (WCU) is a regional university providing academic and service programs to the seventeen westernmost counties of North Carolina. At times the university's influence is felt across an even broader area -- several of the programs administered by WCU, including those relating to economic development, have stretched across a 28-county service area of the state.

WCU originated as a normal school for teachers in 1889 and gained university status in 1967. Its 7,000 graduate and undergraduate students are drawn primarily from the mountains of North Carolina and from families with low or moderate incomes. WCU comprises schools of arts and sciences, business, education and psychology, nursing and health services, and technology and applied science; and offers advanced degrees in arts, sciences, education, business administration, industrial education, industrial technology, psychology, music education and public affairs.

The western North Carolina region is primarily rural and mountainous. Historically the region has been a relatively poor, less-developed region compared to other parts of the state and the nation. Small-scale agriculture, principally tobacco, apples and vegetables, along with foresty, textiles and apparel, and travel and tourism have been the mainstays of the economy. In recent years there has been an influx

of more technical and higher-wage industries such as electrical and non-electrical machinery, fabricated metals, chemicals, printing and publishing, paper products, rubber and transportation equipment. Many of these industries have located in the eastern part of the region around Asheville, however, rather than in the rural areas which generally lack transporation facilities, a skilled labor force and a strong infrastructure. While new and expanding high technology firms promise to give the Asheville area a significant economic boost in the future, the region as a whole has suffered from 12 major plant closings and a loss of almost 4,600 jobs since 1978.

Approximately 80 organizations are involved in the economic development process of the region, including 10 industrial and development commissions, 14 chambers of commerce, 6 merchant associations and 4 lead regional organizations (multi-county planning districts). Based on the size of their staffs and the variety of activities administered by such staffs, WCU and the lead regional organizations (LRO's) must be considered the most prominent economic development agents in the region.

II. Participation in Economic Development Activity

WCU is involved in a variety of activities designed to promote the economic development of western North Carolina. The thrust of these efforts has been on promoting informed and responsible decision-making on regional issues and on increasing local and regional expertise in economic and industrial development. The school has also provided counseling services to small businesses and conducted feasibility studies

for development of regional natural resources. In addition, the graduate school of business administers a Small Business Institute.

WCU's first significant involvement in economic development activitives originated in 1969 with the creation of an Economic Development Center. Supported by Economic Development Administration funds, the center was charged with extending the public services of the university to area business and community leaders. In 1976, the center was reorganized into the present Center for Improving Mountain Living (CIML) which encompasses not only an economic development division, but also human resources, natural resources, international programs and leadership development divisions.

The Ecomonic Development Division of CIML provides technical assistance to business, industry, government, and economic development organizations in an effort to improve job opportunities in a 28-country service area. Emphasis is on furthering enterprise expansion, reducing business failures, increasing the potential of communities to attract industry and encouraging the development of venture capital for indigenous business. In 1982 the division counseled 50 clients, almost half of whom were interested in starting new businesses. Other types of assistance frequently requested from CIML have included financial analysis, sales and advertising, business planning, accounting and market research.

A variety of technical assistance pamphlets are produced by the division and a weekly column on securing financing, solving management problems and coping with economic conditions is produced for publication in over 50 North Carolina newspapers. The most popular publications

(over 3,000 copies per year) are county development profiles which provide data on per capita income, labor force statistics, population trends and other socioeconomic indicators.

CIML's Leadership Division provides staff support to Western North Carolina Tomorrow (WNCT) -- a public and private leadership council composed of representatives from the 17 westermost counties of the state. WNCT was created in 1979 to develop strong leadership and encourage more citizen participation in planning for future growth and development. The idea for WNCT came from one of the region's oldest planning organizations, Western North Carolina Associated Communities. Members of that association who were also on Western Carolina University's staff were quick to recognize the benefits of having housing and staffing for WNCT arranged through the school's Center for Improving Mountain Living.

WNCT has a 63-member board organized into four committees concentrating on employment, education, natural resources and regional heritage. During 1982-83, the committee on employment, chaired by the Chancellor of WCU, engaged in a variety of activities designed to focus attention on economic trends and development in the region. One effort involved WCU's co-sponsorship of a buyer/supplier conference which brought together purchasing agents from firms outside the region with local businessmen.

A frequently used strategy of WNCT has been to establish various task forces, councils or associations to promote regional communication and action. In 1982 WNCT created a task force of state and federal

agencies in the region to encourage coordination and to provide information and liaison for WNCT. To encourage a regional approach to economic and industrial development, WNCT's employment committee organized a developers' association made up of representatives from the lead regional organizations, community college system, state Department of Commerce and 22 mountain counties. In addition, WNCT provides staff support to another leadership group called the Council of Presidents which is made up of the heads of all the public and private post-secondary educational institutions in the region. In other activities, WNCT has been closely involved with a statewide citizens goal-setting program known as NC 2000 and has hosted various conferences devoted to the future of western North Carolina. In June of 1983, for example, WNCT hosted a statewide forum on science and technology.

WNCT utilizes experts from the several divisions of CIML to prepare research reports of importance to area planners. Recent publications include a directory of economic development organizations in western North Carolina, a report on the trends and implications of economic development in the region, a report on mineral resource development, and a paper on the conversion of farm lands. WNCT also produces an Outlook 2000 series which provides summary data and analyses of issues raised by the NC 2000 program.

CIML's budget approximated $700,000 in 1982, supporting 21 full-time staff. Two staffers were assigned to the economic development division and six to WNCT. While EDA funds support the economic development staff, a combination of private and state funding supports WNCT. The

director of CIML reports to the Vice Chancellor for Development and Special Services of the University.

CIML is a well-known entity on Western's campus. Its physical location, at the center of campus, promotes recognition, but its activities and publications, especially those relating to WNCT, have significantly increased CIML's visibility both on and off the campus. Ties to academic units of the university exist but have been developed slowly and deliberately. Twenty faculty members participated as advisers or consultants to CIML in 1982, and 56 student associates worked for pay or volunteered their time to activities organized by CIML.

As noted previously, a variety of organizations are concerned with the economic development of Western North Carolina. WCU has attempted to define its role and relationship to the efforts of these organizations by asking the question "What else needs to be done?" Most of the other organizations, of necessity, take a narrower approach to economic development -- for example, focusing on industrial recruitment for a single county or SMSA. WCU has attempted to undertake projects with broader scope and which are beyond the means of a single development agency. Through Western North Carolina Tomorrow, for example, WCU staff have helped to identify the issues involved with commercial development of North Carolina's mountain tops and have helped develop a draft "ridge law" which has the support of most mountain county officials. Economic development staff have also worked with lead regional organization personnel to develop a proposal for creation of a 503 Small Business Administration-sponsored development corporation for a ten-county region west of Asheville.

The University is also involved in state and local industrial recruitment efforts. The school is frequently marketed by local and state economic developers as the cultural and technological center of the western region. Soon a new regional activities complex will open on WCU's campus, offering facilities for sporting events, theater, musical performances and similar big-stage events (8,700 seat capacity). The school also plans to double its computer science department to accommodate the demands of potential new industry. And there have been efforts to expand WCU's transfer program, which allows graduates of local technical and community colleges to continue their education to the baccalaureate level. WCU's Chancellor has also lobbied hard for improved roads to make the region more attractive to industry.

School administrators see a need for greater promotion of western North Carolina by state economic developers. While Asheville is a frequent selling spot for state developers, the rural areas to the west, less attractive in some ways to industry, are not. This promises to be an issue of controversy in the months to come.

III. Rationale for Involvement in the Economic Development Process

WCU administrators consider current development activities to be natural outgrowths of a tradition of public service. WCU was created, one administrator explained, to respond to a regional need -- the need for well-trained teachers -- and the school has always devoted a portion of its resources to rural outreach programs. Furthermore, since the 1940's, faculty who participated in the planning activities of Western North Carolina Associated Communities have always felt free to offer

the services and facilities of the university to support local development activities. However, significant programming in the field of economic development was not initiated until the federal EDA grant made it possible to set up the business counseling center in the school of business in the late 1960's. And it was not until the mid-70's when the current Chancellor dedicated his administration to the revitalization and development of the region that other resources were marshalled to support the broader development activities now carried out by CIML.

Thus the impetus for involvement came both from within and outside the university -- from the federal government in the form of fiscal resources and from the Chancellor of the university in the form of leadership and commitment.

Developing the capacity to carry out development programs has been a slow and deliberate process at WCU. WCU first looked to its business department for the expertise to carry out the counseling services required by the EDA grant. With the creation of CIML, greater emphasis was placed on recruiting outside and non-teaching expertise with both the technical and administrative talent necessary to carry out a range of development activities.

WCU learned, somewhat by trial and error, that key positions at CIML -- namely the director of CIML and the executive director of WNCT -- had to be filled by persons having extraordinary leadership talents. In addition to administrative and technical skills, these positions required the ability to collaborate with other groups having similar goals.

Having established a highly skilled and professional staff at CIML, WCU has recently initiated an effort to identify faculty expertise that can be tapped to help strengthen regional economic development strategies. A committee appointed by the Chancellor has been charged with identifying and categorizing such expertise in hopes that faculty can become engaged in studies or other activities that will support planning and related development activities. Such projects might include a study of the energy resources of the area or a report on the limitations to development imposed by the geographic and environmental characteristics of the region.

Clearly it is the goal of the Chancellor to have WCU assume a major leadership and coordinative role in regional economic development activities. The Chancellor's philosophy of the mission of the university has been shaped by his early involvement with land grant colleges and he has systematically introduced a variety of programs designed to improve the economic and social conditions of the region. "We should be identifying issues and getting people together [to consider the issues], but we shouldn't become lobbyists . . . we ought to be filling gaps and meeting needs," says WCU's Chancellor.

The economic development division of CIML has translated the Chancellor's philosophy into six work areas for 1983:

1. Business development and assistance - including a new pilot small business extension service which will attempt to resolve operational problems of four local businesses.

2. Industrial search and development assistance - including a new effort to develop a business and industrial inventory, providing information by county on job availability, products produced, levels of production, and payroll generated.

3. Economic/enterprise development assistance - including new emphasis on encouraging entrepreneurs to enter the marketplace in areas indicating profitability and on developing financial packages for entrepreneurs.

4. Governmental outreach, services and assistance - a continuing effort designed to respond to requests for assistance from governmental personnel in the provision of socioeconomic research, data and data intrepretation.

5. Land use planning and general planning assistance - designed to augment services provided by LRO's and local planning agencies.

6. Policy - including the promotion of new economic development strategies and the creation of a revolving development fund to support development of industry, business investments and jobs from within the region.

The underlying objective of these plans is to introduce new ideas to the region, develop them into workable programs, and assist the area in providing such services on a continuing basis. This objective is shared by other divisions of CIML as well, such as the international programs division which hopes to bring to western North Carolina learnings and applications of research on water-harvesting currently being conducted overseas.

While WCU administrators recognize a variety of payoffs to the institution resulting from economic development activities, the most basic motive for engaging in these activities is tied to the belief that the future of the school is highly dependent upon the future of the region. If industry and development occur only as nearby as Asheville, then the region will continue to be depressed and all institutions serving that area will be at a disadvantage in securing public as well as private funds. In addition all schools in that region will be at

a disadvantage in attracting high-caliber faculty and students. And that outcome in turn leads to a reduced ability to serve the community.

WCU's contributions to the community and to the disadvantaged population in particular are difficult to measure in absolute terms. Activities sponsored by CIML or other units of the university and benefiting the disadvantaged can be cited -- in 1982 CIML supervised five students in the construction of solar greenhouses and solar window-box heaters for low-income families, for example -- but activities relating most closely to the economic development process have had more global objectives. They have been aimed at improving the economic health of the region in general rather than at the economic condition of the poor in particular. As a result the region now has available to it more and better planning data and more committees and structures capable of tackling problems related to regional development.

IV. External Views of the Role of WCU in the Economic Development Process

Personnel from two agencies engaged in economic development activities in the region (an LRO and a chamber of commerce) were asked to comment on WCU's role in the economic development process. Their views were similar: WCU is in a position to reach a larger area than either the LRO or chamber and has the resources to focus on regional rather than highly localized issues. In their view the university cannot represent or lobby for a single town or city as an LRO or chamber can do; yet, the university can provide data (such as appears in the county profiles) relevant to local development efforts.

One person interviewed felt the university ought to utilize CIML as a clearinghouse to match faculty having expertise in the fields

of business, health and environmental science with projects aimed at filling community needs in these areas. This idea sounds compatible with the objectives of WCU's new committee on faculty expertise mentioned previously. But it remains to be seen if the university can persuade as many faculty to become as deeply involved in community activities as this "outsider" was proposing.

Staff at these agencies stressed the importance to universities wanting to participate in the economic development process of carefully carving out roles for themselves that complement the roles performed by agencies more directly involved in economic development. WCU's motives for setting up WNCT had initially been questioned by others in the region, for example, because it was not clear at first how the activities of WNCT would relate to the efforts of other development agencies. One person interviewed also suggested that in an area such as western North Carolina where there is more than one major educational institution, it is critical that the educational institutions reach some agreement about the services each will attempt to provide in the region. In this region, some of the things WCU proposes to do are also being proposed by the University of North Carolina at Asheville.

V. Conclusion

For the last decade or so WCU has steadily increased the variety and intensity of its programs and activities relating to the economic development of western North Carolina. These activities have brought in a variety of outside funds, expanded the practical knowledge of the faculty, and changed the image of the university. The region as a whole has benefited by having better data and more resources to direct

toward economic development; a greater number of people have been drawn into the process of promoting regional development, and a greater number of people have become informed about regional development issues. The region has also gained an effective "lobbyist" in WCU as the Chancellor and others at the institution have used their influence to draw money for better roads and cultural facilities and to attract new industries to the area. The disadvantaged population has benefited indirectly by WCU's activities: WCU has helped to draw new industry to the area and to enable a number of small businesses to thrive, thereby creating additional employment opportunities for low-income persons. And WCU has provided useful data to more traditional economic development agencies.

These activities have been carried out by a relatively small cadre of staff at WCU, however, and there appears to be a wealth of faculty expertise that remains untapped. While WCU has been examining ways to tap that resource, there does not appear to be an easy method for persuading faculty to apply their expertise toward community development activities.

WCU hopes to be instrumental in the future in introducing new strategies for economic development to the region. This will require close coordination with regional development agencies as well as support from state and local officials. It will also require hard work, creative genius, and external funding support.

WCU's accomplishments relating to economic development are the result of many factors, but several seem key. First, historically there has been a strong interest and commitment to service to the com-

munity among top level staff at WCU. In addition, a number of faculty and administrators have been active in regional organizations such as Western North Carolina Associated Communities. This interest and involvement really gelled when the current Chancellor of WCU dedicated his administration to the revitalization and development of western North Carolina.

It has also been critical to have a structure such as that provided by CIML to carry out development activities. CIML has been able to attract qualified professionals to lead development projects. And it is beginning to find ways to increase faculty involvement in special projects. Outside funding has also been a critical ingredient.

Perhaps the most important factor has been that WCU has perceived its future as being dependent upon the future of the people and the region the university serves.

LIST OF PERSONS INTERVIEWED

Dr. H. F. Robinson, Chancellor
Western Carolina University

Dr. James Dooley, Vice Chancellor
For Development and Special Services
Western Carolina University

Dr. Aaron Hyatt, Dean
Western Carolina University Graduate
School of Research Administration
President, Western North Carolina
Associated Communities

Dr. O'Connor, Chairman
Advisory Committee on University
Contributions to Economic Development
Western Carolina University School of
Business Faculty

F. M. Cregger, Director
Center for Improving Mountain Living

Don Kelley, Director
Human Resources Development Division
Center for Improving Mountain Living

Jim Cooper, Director
Economic Development Division
Center for Improving Mountain Living

Delos Monteith, Research Assistant
Center for Improving Mountain Living

Tom Mallonee, Executive Director
Western North Carolina Tomorrow

Dan McFarlane, Regional Economist
Western North Carolina Tomorrow

Jane Horton, Program Associate
Western North Carolina Tomorrow

Bob Shepherd, Executive Director
Land of Sky Regional Council
of Governments

Tim Richards
Employment and Training Planner
Land of Sky Regional Council
of Governments

Tamara Crisp, Executive Director
Jackson County Chamber of Commerce

A Case Study of Economic Development Activities at the Georgia Institute of Technology Atlanta, Georgia

by
Carol A. Lincoln

I. Introduction

The Georgia Institute of Technology is one of three research universities in Georgia's public university system. In 1982 1,400 faculty taught more than 11,000 students and conducted $61 million worth of research at Georgia Tech. This year the school's research budget will climb to $82 million. Georgia Tech enjoys the reputation of being one of the nation's outstanding engineering schools and attracts more National Merit and National Achievement Scholars than any other publicly supported institution in the country.

In addition to its undergraduate and graduate program, Tech offers industrial extension programs to industry through a system of field offices and a video-based instruction system which brings short courses and academic course work into the workplace. Also housed on the campus is a new Advanced Technology Development Center, which along with other services, provides low-cost "incubator" space for new product development or start-up operations for developing technology-based businesses. Other specialized centers administered by Georgia Tech include the Georgia Productivity Center, the Manufacturing Technology Center, the Southeastern Trade Adjustment Assistance Center, the Microelectronics Research Center, the Material Handling Research Center, the Technology Utilization and Commercialization Center and the Center for Rehabilitation Technology. The school also operates an Industrial Energy Extension

Service, a Wood Energy Extension Service, a Fuels Laboratory, and an Advanced Components Test Facility which evaluates experimental solar thermal conversion components.

Georgia Tech is located in downtown Atlanta, the capital of Georgia and the transportation center of the Southeast. Atlanta has a diversified economy with a growing high-tech industrial component (principally communications) and a large banking industry. In 1981 the editors of Places Rated Almanac named Atlanta as the best place in the United States to live based on climate, housing, health care, transportation, crime, education, recreation, the arts and economics. Rapid growth and industrialization have taken a toll on the city, however: A critical problem is the growing number of unemployed blacks drawn to Atlanta from other parts of the country. Most do not find jobs because less than 15 percent of the city's workforce is involved in manufacturing.

Most other areas of Georgia have relied traditionally on agriculture, textiles and apparel industries for economic stability. As these industries have declined, state leaders have stepped up efforts to attract high-technology industry. Currently the state has only .8 percent of the high-tech jobs in the nation, but officials hope to boost that share to 2.6 percent by the year 2000 by attracting 220,000 new high tech jobs. Georgia Tech has predicted that these jobs will be in the fields of computers, communications, avionics, fiber/laser optics and medical technology.

Although it has not always been so, Georgia Tech plays a vital role in both the state's and city's economic development strategies.

Tech is touted as the link between industry and higher education. The high quality of its engineering and science programs and student body is thought to be a major attraction to industry. Georgia Tech is also considered a major center for applied economics research and business development. While the city promotes Tech as the university connection to a 350-acre technology park, the state looks to Tech's Advanced Technology Development Center and Economic Development Laboratory as tools for strengthening the economy of the entire state.

II. Involvement in Economic Development Activities

Administrators at Georgia Tech describe the institute's economic development activities as industrial development activities. Despite the variety and number of services, the principal objectives of each are to provide technical assistance to firms or to support the development of industrial infrastructure. As a large research university, Georgia Tech is also deeply involved in promoting the transfer and commercialization of technical innovations.

Two organizational entities oversee delivery of industrial services at Georgia Tech. The largest of these is the Economic Development Laboratory (EDL), which provides assistance to public and private concerns on a nonprofit basis. The second is the Advanced Technology Development Center (ATDC), recently created as a catalyst for high-technology growth in the state.

EDL was chartered in the 1960's to increase the application of technology (for job creation and maintenance) in Georgia. It currently

operates statewide from the Tech campus and eight field offices with an annual budget in excess of $60 million. The lab is organized in three divisions: business development, industrial extension and environmental health and safety. It employs a staff of eighty-one.

The business development division, funded primarily by federal sources, includes an economic analysis group which conducts economic analyses and economic feasibility studies; a second branch of this division provides management and technical assistance services to minority and other businesses. This unit also operates the Southeastern Trade Adjustment Assistance Center which helps firms damaged by the effects of foreign imports to regain competitive positions in the marketplace.

The industrial extension division, funded primarily by the state, aids interested communities in attracting relocating industries and provides both short-term and extended technical and management assistance to existing business and industry. These services are delivered through EDL's field offices and campus office. This unit helps communities prepare for attracting industry, consults on the development of industrial parks, facilitates community self-evaluation, and publishes reports on generic issues and business opportunities; it also assists businesses in replicating new technology.

The ATDC was created in 1980 by the Governor and general assembly of Georgia to create an environment for new high-technology industry and to recruit established industries into the state. ATDC is a combination information/training/incubator base at which fledgling high-tech industries can be developed and given a temporary home.

The center is housed in a $5.1 million facility on Tech's campus. Most of the funds needed to set up the center were appropriated by the state, but Georgia Tech borrowed about a third of the funds needed when expected federal funds were not received. The center's annual operating budget is $500,000.

ATDC offers a variety of services to high-tech businesses including access to consulting scientists and researchers, to the computer center and library, to Tech students as potential employees and to sophisticated test equipment. However, the center is more widely known for its low-cost, on-campus "incubator" space. Entrepreneurs wishing to locate at ATDC must submit a business plan for evaluation by a committee of local businesspersons and consultants. Once accepted as a "tenant," the entrepreneur may remain at the center for up to three years.

About a dozen companies were operating at ATDC in the fall of 1983 and another dozen were affiliated with the center but located elsewhere. Affiliated and resident companies receive help in identifying product markets; help with information of venture capital; finance, management, and marketing assistance; and evaluation of new products and ideas. The ATDC has also co-sponsored five venture capital conferences which have attracted more than 60 new companies and 300 financial institutions.

ATDC can accommodate 30 to 40 companies. In addition there is space for an 'office of the future' and work and meeting rooms. The ATDC is a key part of Georgia's strategy to create 220,000 new high-tech jobs by the year 2000.

EDL and ATDC operate independently of each other as do most of the centers and programs included under the EDL umbrella. Faculty are not involved in large numbers; one administrator commented that it has been difficult to interest teaching faculty in the ATDC.

The one place on campus where the diverse activities of EDL and ATDC come together is at the Office of the Vice President for Research. As the final signoff agent for all grant and research proposals, the Vice President is aware of the activities of both units. However, with 160 proposals to send out each month and 1,200 contracts in effect at any given time, the Vice President does not become involved in substantive management or coordination of activities relating to economic development. What he does is to encourage faculty to become more involved in the activities of EDL and ATDC and facilitate interaction between various service units.

He also spends about 25 percent of his time responding to direct inquires by out of state industries or leads passed along to him by state industrial recruiters. He and others at Tech have been able to promote Georgia with new companies in ways state industrial recruiters cannot -- that is, by talking in specific terms about technical and scientific support available to new companies. Personnel at Tech have also worked on special projects with local economic developers.

III. Rationale for Involvement

Thirty years ago almost none of the activities currently organized under EDL and ATDC existed. Georgia Tech was known primarily as an

undergraduate institution. It had a modest research budget compared to today's, and much of the research was conducted for military agencies (Warner Robins Air Force Base is nearby). State university administrators were not in favor of activities that might be perceived as showing favoritism to any private company and hence applied research and services targeted to development of new products or support to new businesses were frowned upon.

This attitude, which had been shared by leaders on Tech's campus as well as by state university administrators, started to change in the late '50's and '60's. A former professor and administrator at Tech says the change started with the engineering experiment station and with the creation of the EDL, the station's applied research arm. One person at the station was key in pushing the development of the EDL along, according to the former administrator. Then in the 1970's when a new president and vice president for research were appointed, more emphasis was given to applied research and to service for businesses and government agencies. "These men had more global visions of what Georgia Tech could be," said the former administrator. "They came from excellent institutions -- Carnegie-Mellon and Stanford -- and they were sympathetic toward the needs and interests of entrepreneurs." This was also a time of growth for Georgia Tech both in terms of student enrollments and state funding. And it was a time when the state was becoming increasingly concerned about attracting new industry.

Support for this new operating style did not come quickly or easily. An alumnus of Georgia Tech and successful Atlanta entrepreneur recalled

that many of the "old" faculty were unqualified for or uninterested in the new type of research and development being promoted by the administration. Those faculty members often became jealous of newer faculty who were not only qualified but also interested in the type of work.

Resistance came from outside the institution, also. The Board of Regents disapproved of the new approach initially, arguing that it was inappropriate for the school to show favoritism to privately owned businesses. More recently there has been resistance from state government personnel who believe it would have been more appropriate to have placed the ATDC under the administration of the New and Expanding Industries Division of state government.

It is important to note that while the new administration at Tech has worked hard to promote activities like those of the EDL and ATDC, the combination of services and programs at Tech is not the product of a master plan for development. Most of the programs have sprung up because of the interests of faculty willing to write research and grant proposals or because of the desire by federal or state authorities to locate programs on the Georgia Tech campus. As a result there are gaps and overlaps in the types of services offered by the EDL and ATDC. For example, both offer management assistance in marketing, production and finance, and in addition, EDL administers a minority business development program which provides similar services to minority entrepreneurs and inventors. The ATDC has had more direction from school administrators than EDL, according to the director of ATDC. But, he added, there remains confusion among the public on what services are available through which unit.

One strategy employed to give guidance to research and service programs has had some success. The Georgia Tech Research Institute is the contract arm of the engineering experiment station. In recent years ten forty-sixths of the overhead brought in by research grants has been made available to faculty as seed money for research in areas important to the state and Georgia Tech. Two million dollars have been made available in this manner in the last two years. Each grant has a maximum value of $300,000. This strategy has also been useful in encouraging faculty to pursue outside research grants.

Administrators at Georgia Tech see a variety of payoffs to their involvement in industrial development activities. One said the payoff is a long-term one -- businesses and industries that utilize Tech's services become friends of the institution and remember the school with financial gifts or research contracts. Currently 20 percent of the research being conducted at Tech is funded by industry. (Nationally only 3.9 percent of university research is funded by industry.) Furthermore, industrial contracts, though more difficult to arrange for legal reasons, nevertheless bring in an additional 3.5 percent overhead over government contracts.

Ironically the state budgeting process discourages schools like Georgia Tech from pursuing industrial or other outside contracts. There is a strong tendency for the state to direct funding to schools most in need. Schools that aggressively pursue outside funding are at a disadvantage at budget time because they have already secured a partial funding base.

Another drawback to setting up programs such as those administered by the EDL and ATDC is that faculty can be attracted away from the campus to private industry for permanent jobs. Administrators at Tech do not seem to worry much about this possibility. One commented that such faculty are likely to leave anyway -- why not let them leave feeling positive about the school and the opportunity it afforded them? Another administrator doubted that the number of faculty wanting to leave Tech for private sector jobs was large since most enjoyed the challenge and the freedoms of academic life.

Georgia Tech students have benefited from the institution's development activities in two main ways. First, some have been involved in EDL's and ATDC's programs, gaining practical knowledge and sometimes paid work experience. Second, a number of students have been recruited for permanent jobs after graduation.

The state and surrounding communities have benefited both from Tech's services and from its reputation. Tech has helped draw industry to Georgia and to Atlanta and it has helped entrepreneurs establish new businesses in the state. It has also helped established businesses keep their work forces up to date by offering a variety of industrial extension and continuing education courses and seminars. In addition, Georgia Tech has been substantially involved in the application of latest technologies to established industries such as the poultry industry.

Despite these successes the biggest impacts on Georgia's economy are probably yet to come. Experts predict that the secondary impact of creating 220,000 new high-tech jobs by the year 2000 could result

in an overall gain of another half-million new jobs in Georgia. These jobs will go a long way toward meeting Georgia's projected new job needs (1 million by the year 2000).

IV. Conclusion

A variety of factors have enabled Georgia Tech to pursue an ambitious economic development agenda. First, there has been a strong interest and commitment to development activities by the current administration. Key personnel in that administration have come to Georgia Tech from other institutions successful at participating in the economic development process. Some have also been entrepreneurs in their own right.

Second, the curriculum at Tech lends itself easily to application in the industrial world. By comparison schools with core curricula in the arts, education or philosophy do not have the immediate relevancy for new and expanding industries. Nor do such schools have comparable numbers of faculty with expertise in industry-related fields.

Third, as part of the state university system Tech has benefited from the infusion of state dollars and programs designed to promote the development interests of the state. These programs have strengthened Tech's fiscal basis and enriched its teaching and service programs. State funds have enabled Tech to purchase expensive research instruments which the school has used to support its own research activities and has also made available to other agencies and businesses on a fee basis.

Fourth, Georgia Tech's location -- in the heart of a rapidly growing metropolitan area which is also the capital of a state eager to

strengthen its industrial recruitment strategies -- has helped "push" Tech toward involvement in the economic development process. Further, a nearby military installation has served as a ready market for applied research in electronic defense.

Fifth, Tech's willingness to contract directly with industry for applied research has enabled the Institute to bring in substantial funds while making friends with numerous businesses and industries. This approach, along with Tech's high-caliber faculty and student body, has helped establish Tech's reputation and credentials among the private sector. This, in turn, has opened the door to additional opportunities to participate in the economic development process.

Few schools in the country are in a position to replicate Georgia Tech's economic development services. Still, Tech administrators see useful roles that could be filled by other schools. The director of ATDC noted that his staff see many entrepreneurs with serious planning, financial, and marketing problems. He sees a need for more schools to offer business management training through continuing education courses. This is preferable to offering formal courses in enterpreneurship, he believes, since most entrepreneurs are not drawn to degree and credit-bearing programs. Another administrator felt most schools could successfully set up a management and technical assistance office like EDL's. In his view two-year technical institutions offer ideal settings for support services since their curricula tend to be tied more closely to the needs of local industry.

Other approaches utilized by the Georgia Institute of Technology seem replicable, as well. Schools having unusual or costly research equipment could copy Tech's practice of making these instruments available to government agencies and local industry on a fee-for-service basis. Other schools, particularly two-year technical schools, could set up extension video courses to bring classroom expertise into the workplace. Schools with economic or business departments could, like Tech, assist local communities with economic analyses and provide advice on the location of industrial parks. It also appears feasible for schools having flexible funds from philanthropic gifts or other sources to set up "seed grant" programs similar to Tech's to encourage faculty to undertake projects which are related to economic development.

LIST OF PERSONS INTERVIEWED

Dr. Thomas E. Stelson, Vice President for Research
Georgia Institute of Technology

Dr. Vernon Crawford, Board of Regents of the
University System of Georgia
Former Vice President at
Georgia Institute of Technology

Jerry L. Birchfield, Director
Advanced Technology Development Center

D. S. Clifton, Director
Economic Development Laboratory

Glenn Robinson, Chairman, E-Tech, and
Founder of Scientific Atlanta